

Individual and consolidated interim financial information

at June 30, 2024 and independent auditor's report on review of quarterly information

(A free translation of the original report in Portuguese containing financial information)





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Independent auditor's review report on quarterly information

To the Shareholders, Board of Directors and Management of
São Martinho S.A.
Pradópolis – São Paulo

Introduction

We have reviewed the accompanying individual and consolidated interim financial information, contained in the Quarterly Information Form (ITR) of São Martinho S.A. (the "Company"), for the quarter ended June 30, 2024, comprising the statement of financial position as of June 30, 2024 and the related statements of income and of comprehensive income, statements of changes in equity and of cash flows for the three-month periods then ended, including the explanatory notes.

Management is responsible for preparation of the individual and consolidated interim financial information in accordance with the Technical Pronouncement CPC 21 (R1) - Interim Financial Reporting and the international standard IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board (IASB), as well as for the fair presentation of this information in conformity with the rules issued by the Brazilian Securities and Exchange Commission (CVM) applicable to the preparation of the Quarterly Information Form (ITR). Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

We conducted our review in accordance with Brazilian and international standards on review engagements (NBC TR 2410 and ISRE 2410 - Review of Interim Financial Information performed by the Independent Auditor of the Entity, respectively). A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with auditing standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion on the individual and consolidated interim financial information

Based on our review, nothing has come to our attention that causes us to believe that the accompanying individual and consolidated interim financial information included in the quarterly information referred to above are not prepared, in all material respects, in accordance with NBC TG 21 and IAS 34 applicable to the preparation of Quarterly Information Form (ITR), and presented consistently with the rules issued by the Brazilian Securities and Exchange Commission (CVM).

Other matters - Statements of value added

The abovementioned quarterly information include the individual and consolidated statement of value added (SVA) for the three-month period ended June 30, 2024, prepared under Company's Management responsibility and presented as supplementary information by IAS 34. These statements have been subject to review procedures performed together with the review of the quarterly information with the objective to conclude



whether they are reconciled to the interim financial information and the accounting records, as applicable, and if its format and content are in accordance with the criteria set forth by NBC TG 09 – Statement of Value Added. Based on our review, nothing has come to our attention that causes us to believe that they were not prepared, in all material respects, consistently with the overall individual and consolidated interim financial information.

Other matters - Financial statements and interim financial information for prior periods audited and reviewed by another independent auditor

The corresponding amounts related to the individual and consolidated balance sheets as of March 31, 2023 were previously audited by other independent auditors who issued a report dated June 17, 2024, without modification. The corresponding amounts related to the individual and consolidated statements of results and comprehensive income, changes in equity and cash flows for the three-month period of the quarter ended June 30, 2023, were previously reviewed by other auditor's independents who issued a report dated August 14, 2023, without modification. The corresponding amounts related to the individual and consolidated statements of value added (DVA), referring to the three -month period ended June 30, 2023, were submitted to the same review procedures by those independent auditors and, based on their review, those auditors issued a report reporting that they were not aware of any facts that would lead them to believe that the DVA was not prepared, in all material aspects, in a manner consistent with the individual and consolidated interim financial information taken as a whole.

Ribeirão Preto, August 12, 2024

KPMG Auditores Independentes Ltda.
CRC 2SP-027666/O-5 F SP
(Original report in Portuguese signed by)
Giovani Ricardo Pigatto
Accountant CRC 1SP263189/O-7

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Balance sheet

At June 30 and March 31, 2024

All amounts in thousands of reais

ASSETS	Note	Parent		Consolidated		LIABILITIES AND EQUITY	Note	Parent		Consolidated	
		June 30, 2024	March 31, 2024	June 30, 2024	March 31, 2024			June 30, 2024	March 31, 2024	June 30, 2024	March 31, 2024
CURRENT ASSETS						CURRENT LIABILITIES					
Cash and cash equivalents	4	205,357	204,467	205,441	204,560	Borrowings	14	1,510,723	1,094,298	1,513,703	1,096,406
Financial investments	4	2,899,708	2,672,698	3,222,656	2,946,218	Lease payable	13	103,104	108,047	103,104	108,047
Trade receivables	5	559,117	651,856	595,692	666,112	Agricultural partnership payable	13	525,967	554,864	525,967	554,864
Derivative financial instruments	22	90,818	103,208	90,818	103,208	Derivative financial instruments	22	323,951	158,129	323,951	158,129
Inventories and advances to suppliers	6	1,142,523	602,885	1,136,959	609,479	Trade payables	15	677,903	422,212	675,348	408,590
Biological assets	7	1,363,796	1,364,508	1,363,796	1,364,508	Payables to Copersucar	16	4,817	8,336	4,817	8,336
Taxes recoverable	8	203,007	243,790	203,026	243,843	Salaries and social charges		295,789	238,995	298,091	240,837
Income tax and social contribution	19	98,578	73,313	98,764	73,355	Taxes payable		52,466	39,885	55,381	40,791
Advance for future capital increase	9	105,200	105,200	-	-	Income tax and social contribution payable	19	-	-	8,644	9,470
Other assets		29,207	15,443	31,659	17,874	Dividends payable	17	278,836	150,139	278,836	150,139
						Advances from customers		30,966	36,591	40,821	37,414
						Other liabilities		26,588	27,311	39,494	41,407
TOTAL CURRENT ASSETS		6,697,311	6,037,368	6,948,811	6,229,157	TOTAL CURRENT LIABILITIES		3,831,110	2,838,807	3,868,157	2,854,430
NON-CURRENT ASSETS						NON-CURRENT LIABILITIES					
Long-term receivables						Borrowings	14	5,983,636	5,400,932	6,023,115	5,440,412
Financial investments	4	74,225	71,231	74,225	71,231	Lease payable	13	547,794	528,856	547,794	528,856
Inventories and advances to suppliers	6	192,683	126,731	192,683	126,731	Agricultural partnership payable	13	1,746,598	1,682,993	1,746,598	1,682,993
Derivative financial instruments	22	171,845	207,898	171,845	207,898	Derivative financial instruments	22	30,464	13,596	30,464	13,596
Taxes recoverable	8	501,485	489,454	502,655	490,000	Payables to Copersucar	16	174,372	173,709	174,372	173,709
Income tax and social contribution	19	8,983	8,983	8,983	8,983	Deferred income tax and social contribution	19	357,391	461,735	716,554	821,353
Judicial deposits	21	1,930,232	1,491,196	1,930,248	1,491,213	Provision for contingencies	21	121,016	123,251	121,953	124,166
Trade receivables	5	-	-	32,857	32,272	Taxes with suspended collection	16(b)	1,909,946	1,869,563	1,909,946	1,869,563
Other assets	16	369,560	369,560	369,560	369,560	Other liabilities		27,552	-	27,552	-
Total long-term receivables		3,249,013	2,765,053	3,283,056	2,797,888	TOTAL NON-CURRENT LIABILITIES		10,898,769	10,254,635	11,298,348	10,654,648
Investments	10	1,804,319	1,738,747	56,598	54,692	TOTAL LIABILITIES		14,729,879	13,093,442	15,166,505	13,509,078
Property, plant and equipment	11	6,139,666	6,181,744	8,026,807	8,045,148	EQUITY	17	3,941,717	3,941,717	3,941,717	3,941,717
Intangible assets	12	439,440	443,304	451,103	454,967	Treasury shares		(285,744)	(16,325)	(285,744)	(16,325)
Right-of-use assets	13	2,879,086	2,789,597	2,879,086	2,789,597	Carrying value adjustments		1,046,671	1,118,158	1,046,671	1,118,158
						Revenue reserves		1,818,821	1,818,821	1,818,821	1,818,821
TOTAL NON-CURRENT ASSETS		14,511,524	13,918,445	14,696,650	14,142,292	Loss for the period		(42,509)	-	(42,509)	-
						TOTAL EQUITY		6,478,956	6,862,371	6,478,956	6,862,371
TOTAL ASSETS		21,208,835	19,955,813	21,645,461	20,371,449	TOTAL LIABILITIES AND EQUITY		21,208,835	19,955,813	21,645,461	20,371,449

The accompanying notes are an integral part of this interim financial information

Statement of profit or loss
Periods ended June 30, 2024 and 2023
All amounts in thousands of reais

	Note	Parent		Consolidated	
		June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
Revenue	25	1,591,453	1,298,240	1,643,709	1,342,587
Cost of goods sold	26	(1,145,303)	(842,297)	(1,131,539)	(831,598)
Gross profit		446,150	455,943	512,170	510,989
Operating income (expenses)					
Selling expenses	26	(53,453)	(42,870)	(56,741)	(46,327)
General and administrative expenses	26	(94,517)	(93,031)	(97,417)	(95,527)
Share of profit (loss) of equity-accounted in	10	65,551	52,683	1,868	1,789
Other revenue, net		1,640	9,249	3,739	9,566
		(80,779)	(73,969)	(148,551)	(130,499)
Operating profit		365,371	381,974	363,619	380,490
Finance result	27				
Finance income		66,604	85,939	75,200	93,677
Finance costs		(256,343)	(287,995)	(257,348)	(289,400)
Monetary and foreign exchange variations, net		(91,898)	(53,051)	(91,898)	(53,051)
Derivatives		(54,089)	87,956	(54,088)	87,956
		(335,726)	(167,151)	(328,134)	(160,818)
Profit before income tax and social contribution		29,645	214,823	35,485	219,672
Income tax and social contribution	19(c)				
Current		8,558	(1,536)	2,279	(6,761)
Deferred		68,117	6,981	68,556	7,357
Profit for the period		106,320	220,268	106,320	220,268
Basic and diluted earnings per share - R\$	28			0.3137	0.6359

The accompanying notes are an integral part of this interim financial information



Statement of comprehensive income
Periods ended June 30, 2024 and 2023
All amounts in thousands of reais

Parent and Consolidated	June 30, 2024	June 30, 2023
Profit for the period	106,320	220,268
Items that will be subsequently reclassified to profit or loss		
Changes in the period:		
Changes in fair value		
Commodity derivatives - Futures, options and forward contracts	34,726	(16,515)
Foreign exchange derivatives - Options / NDF	(218,469)	76,894
Foreign exchange differences on borrowings (Trade Finance)	46,109	82,030
	<u>(137,634)</u>	<u>142,409</u>
Recognized in operating income		
Commodity derivatives - Futures, options and forward contracts	(19,513)	45,749
Foreign exchange derivatives - Options / NDF	40,538	(41,625)
Foreign exchange differences on borrowings (Trade Finance)	10,045	6,572
	<u>31,070</u>	<u>10,696</u>
Write-off due to ineffectiveness		
Commodity derivatives - Futures, options and forward contracts	-	376
	<u>-</u>	<u>376</u>
Total changes in the period		
Commodity derivatives - Futures, options and forward contracts	15,213	29,610
Foreign exchange derivatives - Options / NDF	(177,931)	35,269
Foreign exchange differences on borrowings (Trade Finance)	56,154	88,602
Deferred taxes on the items above	36,227	(52,184)
	<u>(70,337)</u>	<u>101,297</u>
Total comprehensive income for the period	<u>35,983</u>	<u>321,565</u>

The accompanying notes are an integral part of this interim financial information



Statements of changes in equity
Periods ended June 30, 2024 and 2023
All amounts in thousands of reais

	Note	Share capital	Treasury shares	Carrying value adjustments				Revenue reserves					Profit (loss) for the period	Total
				Deemed cost		Hedge accounting	Others	Legal	Capital budget reserve	Unrealized profit reserve	Tax incentive reserve	Additional dividends		
				Parent	Investees									
At March 31, 2023		3,161,384	(139,997)	97,889	1,183,966	(220,113)	738	313,563	911,987	16,057	317,821	269,068	-	5,912,363
Realization of surplus on revaluation of deemed cost	17 (c. i)	-	-	(2,700)	(31)	-	-	-	-	-	-	-	2,731	-
Gain (loss) on derivate transactions - hedge accounting	17 (c. ii)	-	-	-	-	101,297	-	-	-	-	-	-	-	101,297
Transfer to tax incentive reserve	17(d)	-	-	-	-	-	-	-	-	-	20,067	-	(20,067)	-
Payment of interest on capital	17 (e)	-	-	-	-	-	-	-	-	-	-	-	(155,000)	(155,000)
Carrying value adjustments of investees		-	-	-	-	-	8	-	-	-	-	-	-	8
Profit for the period		-	-	-	-	-	-	-	-	-	-	-	220,268	220,268
At June 30, 2023		3,161,384	(139,997)	95,189	1,183,935	(118,816)	746	313,563	911,987	16,057	337,888	269,068	47,932	6,078,936
At March 31, 2024		3,941,717	(16,325)	89,374	1,183,933	(156,282)	1,133	387,377	927,969	-	503,475	-	-	6,862,371
Share buyback	17(b)	-	(277,288)	-	-	-	-	-	-	-	-	-	-	(277,288)
Payment of bonus with treasury shares	17(b)	-	7,869	-	-	-	-	-	-	-	-	-	-	7,869
Realization of surplus on revaluation of deemed cost	17 (c. i)	-	-	(1,142)	(29)	-	-	-	-	-	-	-	1,171	-
Gain (loss) on derivate transactions - hedge accounting	17 (c. ii)	-	-	-	-	(70,337)	-	-	-	-	-	-	-	(70,337)
Payment of interest on capital	17(e)	-	-	-	-	-	-	-	-	-	-	-	(150,000)	(150,000)
Carrying value adjustments of investees		-	-	-	-	-	21	-	-	-	-	-	-	21
Profit for the period		-	-	-	-	-	-	-	-	-	-	-	106,320	106,320
At June 30, 2024		3,941,717	(285,744)	88,232	1,183,904	(226,619)	1,154	387,377	927,969	-	503,475	-	(42,509)	6,478,956

The accompanying notes are an integral part of this interim financial information



Statement of cash flows - Indirect method
Periods ended June 30, 2024 and 2023
All amounts in thousands of reais

	Note	Parent		Consolidated	
		June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
Cash flows from operating activities					
Profit for the period		106.320	220.268	106.320	220.268
Adjustments					
Depreciation and amortization	26	207.825	190.047	209.896	191.150
Biological assets harvested	26	238.097	226.149	238.097	226.149
Changes in the fair value of biological assets, agricultural produce, and CBIC	26	(21.629)	(145.136)	(21.629)	(145.136)
Provision for losses on realization of inventories	26	2.000	-	2.000	-
Amortization of electric power supply contracts		-	-	-	2.834
Share of profit (loss) of equity-accounted investees	10	(65.551)	(52.683)	(1.868)	(1.789)
Gains (losses) on investments and PP&E written off	11	(2.288)	(1.616)	(2.288)	(1.616)
Interest, inflation adjustments, and foreign exchange gains (losses), net		132.841	133.026	125.879	127.954
Derivative financial instruments	25 and 27	85.534	(77.766)	85.534	(77.766)
Setup of provision for contingencies, net	21.1	11.639	9.883	11.639	9.883
Income tax and social contribution	19 (b)	(76.675)	(5.445)	(70.835)	(596)
Taxes with suspended collection		40.383	31.185	40.383	31.185
Reversal of provision for impairment of trade receivables		-	-	(15)	-
Adjustment to present value and other adjustments		92.447	87.701	91.719	88.987
		750.943	615.613	814.832	671.507
Changes in assets and liabilities					
Trade receivables		96.159	(43.189)	74.366	(58.009)
Inventories		(349.726)	(314.842)	(337.567)	(302.594)
Taxes recoverable		6.499	(12.010)	5.787	(11.855)
Derivative financial instruments		(7.073)	346	(7.073)	346
Other assets (mainly judicial deposits)		(412.419)	(32.629)	(412.458)	(32.661)
Trade payables		316.409	297.269	327.345	303.007
Salaries and social charges		56.794	71.643	57.255	72.025
Taxes payable		(164)	4.881	142	4.555
Payables to Copersucar		(3.599)	(467)	(3.599)	(467)
Provision for contingencies (settlement)	21.1	(12.202)	(13.276)	(12.202)	(13.276)
Other liabilities		21.201	39.760	29.047	49.645
Cash from operations		462.822	613.099	535.875	682.223
Payment of interest on borrowings	14	(165.136)	(208.379)	(165.136)	(208.379)
Income tax and social contribution paid		-	-	(5.418)	(3.599)
Net cash provided by operating activities		297.686	404.720	365.321	470.245
Cash flows from investing activities					
Funds from investments		-	257	-	257
Additions to property, plant and equipment and intangible assets	11 and 12	(220.726)	(140.358)	(246.515)	(141.372)
Additions to biological assets (planting and crop treatments)		(331.508)	(309.736)	(331.508)	(309.736)
Financial investments		(168.800)	659.967	(210.655)	594.571
Proceeds from sale of property, plant and equipment	11	4.079	3.004	4.079	3.004
Net cash (used in) provided by investing activities		(716.955)	213.134	(784.599)	146.724
Cash flows from financing activities					
Payment of leases and agricultural partnerships	13	(266.514)	(155.192)	(266.514)	(155.192)
Proceeds from borrowings - third parties	14	1.063.982	-	1.063.982	-
Repayment of borrowings - third parties	14	(112.848)	(636.019)	(112.848)	(636.019)
Shares buyback		(283.130)	-	(283.130)	-
Other receipts		2.130	-	2.130	-
Net cash provided by (used in) financing activities		403.620	(791.211)	403.620	(791.211)
Net increase (decrease) in cash and cash equivalents		(15.649)	(173.357)	(15.658)	(174.242)
Cash and cash equivalents at the beginning of the period	4	204.467	272.342	204.560	273.408
Effect of exchange rate variation on cash and cash equivalents		16.539	(13.151)	16.539	(13.151)
Cash and cash equivalents at the end of the period	4	205.357	85.834	205.441	86.015
<u>Additional information</u>					
Balance of financial investments (current assets)	4	2.899.708	2.050.903	3.222.656	2.284.255
Total available funds	4	3.105.065	2.136.737	3.428.097	2.370.270

The accompanying notes are an integral part of this interim financial information

Statement of value added
Periods ended June 30, 2024 and 2023
All amounts in thousands of reais

	Parent		Consolidated	
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
Revenue				
Gross sales of goods and products	1,708,177	1,329,441	1,763,993	1,376,534
Revenue from construction of own assets	356,262	328,564	356,302	328,570
Reversal of provision for impairment of trade receivables	-	-	(15)	-
Other income	4,471	4,200	4,471	4,200
	<u>2,068,910</u>	<u>1,662,205</u>	<u>2,124,751</u>	<u>1,709,304</u>
Inputs acquired from third parties				
Cost of products and goods sold	(520,341)	(456,625)	(491,389)	(436,357)
Materials, electric power, third-party services, and other operating expenses	(415,243)	287,666	(434,182)	274,207
Impairment of assets	(2,000)	-	(2,000)	-
	<u>(937,584)</u>	<u>(168,959)</u>	<u>(927,571)</u>	<u>(162,150)</u>
Gross value added	1,131,326	1,493,246	1,197,180	1,547,154
Depreciation and amortization	(207,825)	(190,047)	(209,896)	(191,150)
Biological assets harvested	(238,097)	(226,149)	(238,097)	(226,149)
Net value added generated by the entity	685,404	1,077,050	749,187	1,129,855
Value added received in transfer				
Share of profit (loss) of equity-accounted investees	65,551	52,683	1,868	1,789
Finance income	22,677	304,348	31,359	312,091
Others	874	6,322	2,986	6,637
Total value added to be distributed	<u>774,506</u>	<u>1,440,403</u>	<u>785,400</u>	<u>1,450,372</u>
Distribution of value added				
Personnel and payroll charges				
Direct compensation	178,986	500,998	179,513	501,467
Benefits	72,992	152,099	73,392	152,445
Government Severance Indemnity Fund for Employees (FGTS)	15,874	41,312	15,914	41,346
Management compensation	21,307	23,418	21,679	23,775
Taxes, charges and contributions				
Federal	15,878	22,222	24,269	29,388
State	3,144	8,084	3,243	8,102
Municipal	592	513	609	669
Financing entities				
Interest	254,561	282,577	255,601	283,935
Rentals	2,405	2,382	2,412	2,392
Foreign exchange variations	123,424	125,450	123,424	125,450
Others	(20,977)	61,080	(20,976)	61,135
Retained profits for the period	<u>106,320</u>	<u>220,268</u>	<u>106,320</u>	<u>220,268</u>
Value added distributed	<u>774,506</u>	<u>1,440,403</u>	<u>785,400</u>	<u>1,450,372</u>

The accompanying notes are an integral part of this interim financial information

Notes to the interim accounting information at June 30, 2024

All amounts in thousands of reais unless otherwise stated

1. Operations

São Martinho S.A. ("Company" or "Parent") is a listed corporation headquartered in Pradópolis, State of São Paulo. The Company and its subsidiaries (together referred to as "São Martinho") are primarily engaged in the cultivation of sugarcane, and production and sale of sugar, ethanol, and other sugarcane byproducts; co-generation of electric power; development of real estate ventures; agricultural production; import and export of goods, products, and raw materials, and investment in other companies.

Approximately 70% of the sugarcane used in the manufacture of products comes from plantations on land owned by either the Company, its stockholders, related companies, or agricultural partnerships. The remaining 30% is supplied by third parties. The sugar-ethanol sector is subject to seasonal trends based on the sugarcane growth cycle in the Center-South region of Brazil, which typically begins in April and ends in December, resulting in fluctuations in the Company's inventories. Raw material supplies may also be affected by adverse climate conditions. Sugarcane crop takes up to 18 months to mature, and harvest runs from April to December, which is also the period when sugar and ethanol are produced, and electric power is co-generated.

São Martinho is a subsidiary of the holding company LJM Participações S.A. ("LJM"), which owns 54.92% interest in the Company's voting capital.

The issue of this interim financial information was approved by the Board of Directors on August 12, 2024.

Geopolitical conflicts

Geopolitical conflicts pose a risk to São Martinho, as they can affect both revenue and operating costs. The escalation of these conflicts in key oil production regions may lead to significant fluctuations in product prices, tariffs, exchange rates, input costs, and logistics.

Climate changes

Risks associated with climate change, particularly frosts, as well as water issues resulting from prolonged droughts and fires, can adversely affect the productivity of sugarcane plantations. Consequently, the production of sugar, ethanol, and other by-products may be impacted, thereby affecting revenue, costs, and the value of biological assets.

Notes to the interim accounting information at June 30, 2024

All amounts in thousands of reais unless otherwise stated

Tax Reform

On December 20, 2023, the Constitutional Amendment 132 was enacted, establishing the Tax Reform, which introduces new rules for taxes levied on consumption. Several issues, including the rates of the new taxes, are still pending regulation by Complementary Laws, which should be submitted to the National Congress for review within 180 days.

The Reform is based on the "dual VAT" model, divided into two taxes, one at the Federal level, the Contribution on Goods and Services (CBS) to replace the PIS and COFINS, and the other at the level of the States, Federal District and Municipalities, the Tax on Goods and Services (IBS), to replace the State Value Added Tax (ICMS) and the Tax on Services (ISS). The Reform also provides for the creation of a federal Selective Tax (IS), to be levied on the production, extraction, sale, or import of goods and services deemed harmful to health and the environment, under the terms of a Complementary Law (LC).

During the transition period scheduled to run from 2026 to 2032, both the old and new models will coexist. The impacts of the Reform on the calculation of the above-mentioned taxes, from the start of the transition period, will only be fully known once the process of regulating the pending issues by Complementary Laws is completed. Therefore, the Reform has no effect on this interim financial information.

2. Summary of material accounting policies

2.1 Statement of compliance and basis of preparation

The individual and consolidated interim financial information were prepared in accordance with Technical Pronouncement CPC 21 (R1) - Interim Financial Reporting issued by the Brazilian Accounting Pronouncements Committee (CPC), and International Accounting Standard (IAS) 34 - Interim Financial Reporting issued by the International Accounting Standards Board (IASB).

The individual and consolidated interim financial information does not include all the information required for a complete set of financial statements prepared in accordance with the International Financial Reporting Standards ("IFRS") and the accounting practices adopted in Brazil ("BR GAAP"). However, the individual and consolidated interim financial information contains explanatory notes that explain significant events and transactions, which allow an understanding of the changes that have occurred in São Martinho financial position and performance since its last annual financial statement.

Notes to the interim accounting information at June 30, 2024

All amounts in thousands of reais unless otherwise stated

This interim financial information has been prepared under the historical cost convention, and adjusted to reflect the deemed cost of property, plant and equipment upon transition to IFRS/CPC, except for certain derivative financial instruments and biological assets measured at fair value. Disclosures are limited to all information of significance to the financial statements, being consistent with that used by management in the performance of its duties.

The Company records the dividends received from its subsidiaries in the statement of cash flows as investing activities, since it considers these dividends to be returns on investments.

2.2 Basis of consolidation and investments in subsidiaries

Subsidiaries are all entities over which the Company has control. They are fully consolidated from the date on which control is transferred to the Company, and are deconsolidated from the date that control ceases.

The consolidated balances in this interim financial information reflect the equity interest in the following wholly-owned companies:

Company	Core activity
São Martinho Terras Agrícolas S.A. ("SM Terras Agrícolas")	Exploitation of land through agricultural lease and partnership, rental and sale of real estate.
São Martinho Terras Imobiliárias S.A. ("SM Terras Imobiliárias") (i)	Sale and purchase of real estate, development and exploitation of real estate and mining enterprises.
Bioenergética São Martinho S.A. ("Bio SM")	Co-generation of electric power
Bioenergética Santa Cruz S.A. ("Bio SC")	Co-generation of electric power
Bioenergética Boa Vista S.A. ("Bio BV")	Co-generation of electric power
Bioenergia São Martinho Ltda. ("Bioenergia SM")	Co-generation of electric power
São Martinho Logística e Participações S.A. ("SM Logística")	General product storage
São Martinho Inova S.A. ("SM Inova")	Investment in companies
Biometano Santa Cruz Ltda. ("Biometano SC") (ii)	Gas production and processing

- (i) SM Terras Imobiliárias and its subsidiaries, established as Special-Purpose Entities (SPEs), and engaged in real estate development activities.
- (ii) Company in the pre-operating phase.

2.3 Functional and presentation currency

This interim financial information is presented in Reais (R\$), which is the currency of the primary economic environment in which the Company operates ("the functional currency"). All financial information presented in Reais has been rounded off to the nearest thousand, unless otherwise stated.

2.4 Foreign currency translation

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing on the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currency are recognized in the statement of profit or loss, except when deferred in equity as qualifying cash flow hedges.

2.5 Financial instruments

The Company adopts IFRS 9 (CPC 48) Financial Instruments (except for items related to hedge accounting), and classifies its financial assets as: measured at amortized cost, at fair value through other comprehensive income, and at fair value through profit or loss.

The impairment of financial instruments is calculated using the hybrid concept of "expected and incurred credit losses". The corresponding provisions are determined for: (i) 12-month expected credit losses, (ii) lifetime expected credit losses, i.e. credit losses that result from all possible default events over the expected life of a financial instrument and (iii) credit losses incurred due to failure to honor the contractual obligations.

As permitted by IFRS 9, the Company adopts the requirements of IAS 39 / CPC 38 for hedge accounting.

a) Financial assets

Financial assets are classified as: (i) measured at amortized cost; (ii) measured at fair value through other comprehensive income, and (iii) measured at fair value through profit or loss. The measurement of financial assets depends on their classification.

b) Financial liabilities

The Company's financial liabilities include trade payables, borrowings, leases, agricultural partnerships, payables to related parties and other payables, which are measured at amortized cost. After initial recognition, borrowings are measured at amortized cost, using the effective interest rate method. Gains and losses are recognized in the statement of profit or loss when the liabilities are derecognized, and also through amortization, under the effective interest rate method.

Notes to the interim accounting information at June 30, 2024

All amounts in thousands of reais unless otherwise stated

c) Derivative financial instruments

Derivatives are measured at fair value, with gains and losses recognized in the statement of profit or loss, unless the derivative has been designated as a hedging instrument and qualifies for hedge accounting.

At the inception of the transaction, the Company documents the relationship between the hedging instruments and hedged items, for the purpose of managing the risk and the strategy for undertaking hedging transactions.

The effective portion of changes in the fair value of derivatives designated as cash flow hedges is classified as "Carrying value adjustment" in equity. The ineffective portion is recorded as "Finance income (costs)" in the statement of profit or loss. The amounts accumulated in equity are reclassified to the statement of profit or loss when the hedged item affects profit or loss, and the related effects are recognized as "Net sales" to minimize changes in the hedged item.

3. Use of estimates and judgments

Accounting estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Estimates and judgements that imply a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

a) Impairment losses

Goodwill is tested for impairment annually. The recoverable amounts of cash-generating units were determined based on value-in-use calculations, which require the use of estimates and budget projections approved by management (Note 12).

b) Fair value of biological assets

This represents the present value of the expected net cash flows from biological assets, which is calculated using discounted cash flow models (Note 7).

Notes to the interim accounting information at June 30, 2024

All amounts in thousands of reais unless otherwise stated

c) Income tax, social contribution, and other taxes

The Company recognizes provisions when it is probable that additional taxes will be due. When the outcome of these matters differs from the amounts initially estimated and recorded, such differences will affect current and deferred tax assets and liabilities in the year in which the ultimate amount is determined.

d) Fair value of derivatives and other financial instruments

The fair value of financial instruments that are not traded in an active market is determined through valuation techniques, including the discounted cash flow model. The assumptions underlying these valuation techniques are based primarily on market conditions existing at the reporting date, if available. Where this is not feasible, a certain level of judgment is required to determine fair value with respect to data such as liquidity, credit risk, and volatility.

e) Provision for contingencies

São Martinho is a party to labor, civil and tax proceedings at different court levels. Provisions for contingencies to cover probable risks of losses arising from unfavorable outcome of ongoing lawsuits are determined and adjusted based on management's assessment, under the legal consultants' advice, and require a high degree of judgment.

f) Incremental borrowing rate on leases and agricultural partnerships

Right-of-use assets, lease liabilities, and agricultural partnerships are measured at present value based on cash flows discounted using the incremental borrowing rates. This weighted average borrowing rate involves estimation, since it is the rate that the lessee would have to pay on a borrowing to raise the funds required to obtain an asset of similar value in a similar economic environment, and under equivalent terms and conditions, also considering the lessee's credit risk, the term of the agreement, and the collateral offered.

Notes to the interim accounting information at June 30, 2024

All amounts in thousands of reais unless otherwise stated

4. Cash and cash equivalents and financial investments

Cash and cash equivalents comprise cash on hand, bank deposits, and highly liquid short-term investments with original maturities of three months or less, which are readily convertible into known amounts of cash, and are subject to immaterial risk of change in value.

	Parent			Consolidated		
	Annual yield	June 30, 2024	March 31, 2024	Annual yield	June 30, 2024	March 31, 2024
Cash and banks in Brazil		1,192	202		1,276	295
Cash and banks abroad (US Dollar)	4.1%	204,165	204,265	4.1%	204,165	204,265
Total cash and cash equivalents		205,357	204,467		205,441	204,560
Financial investments						
. Investment fund	102.5% of CDI	2,890,382	2,645,006	102.3% of CDI	3,211,679	2,916,882
. Bank Deposit Certificate (CDB)	100.0% of CDI	9,326	27,692	93.5% of CDI	10,977	29,336
. Other (i)	94.1% of CDI	74,225	71,231	94.1% of CDI	74,225	71,231
Total financial investments		2,973,933	2,743,929		3,296,881	3,017,449
Total cash and cash equivalents and financial investments		3,179,290	2,948,396		3,502,322	3,222,009
In non-current assets		74,225	71,231		74,225	71,231
Total available funds		3,105,065	2,877,165		3,428,097	3,150,778

(i) Resources pledged as collateral for borrowings obtained with BNDES and brokers, with redemption restriction until the maturity of the contracts.

5. Trade receivables

Trade receivables are initially stated at present value, less provision for impairment, where applicable.

Balance of trade receivables:

	Parent		Consolidated	
	June 30, 2024	March 31, 2024	June 30, 2024	March 31, 2024
Trade receivables - domestic market	172,315	325,170	242,466	372,402
Trade receivables - foreign market	386,828	326,712	386,828	326,712
(-) Expected credit losses	(26)	(26)	(745)	(730)
	559,117	651,856	628,549	698,384
Current assets	(559,117)	(651,856)	(595,692)	(666,112)
Non-current assets	-	-	32,857	32,272

Notes to the interim accounting information at June 30, 2024

All amounts in thousands of reais unless otherwise stated

Balance of trade receivables by maturity:

	Parent		Consolidated	
	June 30, 2024	March 31, 2024	June 30, 2024	March 31, 2024
Falling due:	550,398	650,107	619,259	696,577
Overdue and not provided for (i) :				
Up to 30 days	6,529	331	7,406	360
Over 30 days	2,190	1,418	1,884	1,447
	559,117	651,856	628,549	698,384

(i) Of the balance overdue and not provided for at June 30, 2024 in the Parent, approximately 73.5% was received in July.

Of the balance receivable, R\$ 4,973 in the Parent, and R\$ 236 in the Consolidated (R\$ 1,018 and R\$ 240 in the Parent and Consolidated, respectively, at March 31, 2024) refer to related parties (Note 9).

6. Inventories and advances to suppliers

	Parent		Consolidated	
	June 30, 2024	March 31, 2024	June 30, 2024	March 31, 2024
Current				
Finished products and work-in-progress	549,063	66,675	536,933	66,675
Raw material – Corn	77,499	157,034	77,499	157,034
Advances - purchases of sugarcane	73,744	48,601	73,744	48,601
Advances - purchases of inputs and finished products	114,708	95,314	114,708	95,314
RenovaBio - CBIOS (i)	2,094	1,642	2,094	1,642
Inputs, materials for use and consumption and others	330,230	236,433	330,231	236,433
Land subdivisions	-	-	6,565	6,594
Provision for losses on realization of inventories	(4,815)	(2,814)	(4,815)	(2,814)
	1,142,523	602,885	1,136,959	609,479
Non-current				
Advances - purchases of sugarcane	192,683	126,731	192,683	126,731
	192,683	126,731	192,683	126,731
	1,335,206	729,616	1,329,642	736,210

(i) At June 30, 2024, the Company had 38,000 registered decarbonization credits (Cbios) carried at fair value (23,000 Cbios at March 31, 2024).

Inventories are carried at average acquisition or production cost, and are adjusted, where necessary, by a provision for impairment. Land subdivisions relate to real estate developments and are measured at historical cost.

Of the balance of advances recorded under inventories, R\$ 274 in the Parent and Consolidated accounts (R\$ 1,286 in the Parent and Consolidated at March 31, 2024) refers to related parties (Note 9).

Notes to the interim accounting information at June 30, 2024

All amounts in thousands of reais unless otherwise stated

7. Biological assets

Biological assets are agricultural products under cultivation (standing sugarcane) from bearer plants, which will be used as raw material in the production of sugar and ethanol at the time of harvest. After each harvest, crop treatments are carried out to improve growth and development of the sugarcane plantation (fixed asset), ensuring production gains and extending its useful life. Expenditures incurred for crop treatments are therefore classified under investing activities in the statement of cash flows.

Biological assets are carried at fair value less costs to sell. The measurement of biological assets at fair value is classified as Level 3 - Assets and liabilities for which there is little, if any, market activity, or whose prices or valuation techniques are supported by inputs from a thin, nonexistent, or illiquid market (non-observable inputs).

The fair value of biological assets was determined based on the discounted cash flow method, considering basically:

- a) Cash inflows obtained by multiplying the: *i)* estimated production measured in kilograms of Total Recoverable Sugar (TRS) by *ii)* sugarcane futures market price, which is projected based on publicly-available data and price estimates of sugar and ethanol; and
- b) Cash outflows represented by the estimated *(i)* costs necessary for the biological transformation of sugarcane (crop treatments) up to the harvest; *(ii)* harvesting/cutting, loading, and transportation costs; *(iii)* cost of capital (land and machinery and equipment); *(iv)* costs of leases and agricultural partnerships; and *(v)* taxes levied on positive cash flows.

The following key assumptions were used to determine the fair value:

Parent and Consolidated	June 30, 2024	March 31, 2024
Estimated total harvested area (ha)	251,676	246,604
Amount of TRS per hectare	12.39	12.15
Projected average price of TRS (in R\$)	1.14	1.12

In this interim financial information, the discount rate used to calculate the fair value of biological assets was 9.8% p.a. (9.6% p.a. on March 31, 2024).

Based on estimates of revenue and costs, the Company determines the discounted cash flows to be generated, adjusting them to present value through a discount rate compatible with the return on investment. Changes in the fair value are recorded under "Biological assets", with a corresponding entry to "Changes in

Notes to the interim accounting information at June 30, 2024

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the fair value of biological assets" under "Cost of goods sold" in the Statement of profit or loss.

Changes in the fair value of biological assets in the period were as follows:

Parent and Consolidated	June 30, 2024	June 30, 2023
Historical cost	1,563,058	1,351,751
Fair value	(198,550)	(191,183)
Biological assets - opening balance:	1,364,508	1,160,568
Increases arising from crop treatments	198,643	181,575
Transfer from property, plant and equipment	145,418	308,087
Changes in fair value	43,760	149,018
Decreases resulting from harvest	(388,533)	(385,035)
Biological assets - closing balance:	1,363,796	1,414,213
Comprised of:		
Historical cost	1,518,586	1,456,378
Fair value	(154,790)	(42,165)
Biological assets - closing balance:	1,363,796	1,414,213

Sugarcane cultivation is exposed to the risk of damage caused by climate changes, pests and diseases, forest fires, and other forces of nature, which may affect, either by increasing or reducing, future harvest results.

Fair value sensitivity analysis

For purposes of the sensitivity analysis, the Company assessed the impact on the fair value of its biological assets as at June 30, 2024, considering an increase/decrease in the following variables: (i) price of the sugarcane metric ton; and (ii) sugarcane production volume. The other variables were held constant. Accordingly, a 5% increase or decrease in the price of sugarcane metric ton would result in an increase or decrease of R\$ 114,979. Regarding the production volume, the same 5% variation (up or down) would result in an increase or decrease of R\$ 106.522.

Notes to the interim accounting information at June 30, 2024

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8. Taxes recoverable

Balances of taxes recoverable:

	Parent		Consolidated	
	June 30, 2024	March 31, 2024	June 30, 2024	March 31, 2024
Current				
PIS/COFINS	64,679	120,204	64,682	120,204
ICMS	132,923	118,880	132,938	118,933
Tax Refund Program for Exporters (Reintegra)	3,982	3,173	3,982	3,173
Others	1,423	1,533	1,424	1,533
	203,007	243,790	203,026	243,843
Non-current				
PIS/COFINS	117,559	107,858	117,559	107,858
ICMS	365,380	363,278	366,550	363,824
Tax on Financial Transactions (IOF) on derivatives	10,411	10,285	10,411	10,285
INSS	8,135	8,033	8,135	8,033
	501,485	489,454	502,655	490,000
	704,492	733,244	705,681	733,843

The balances of taxes recoverable arise from commercial transactions and tax prepayments.

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9. Related parties

a) Parent and Consolidated balances:

	Parent		Consolidated	
	June 30, 2024	March 31, 2024	June 30, 2024	March 31, 2024
Current assets				
Trade receivables (i)				
Bio BV	1,513	229	-	-
Bio SM	2,269	360	-	-
Bio SC	763	27	-	-
SM Terras Imobiliárias	92	77	-	-
SM Terras Agrícolas	7	7	-	-
Others	329	318	236	240
	4,973	1,018	236	240
Inventories and advances to suppliers				
CTC - Centro de Tecnologia Canavieira S.A.	117	295	117	295
Others	157	991	157	991
	274	1,286	274	1,286
Advance for future capital increase				
Biometano SC (ii)	105,200	105,200	-	-
	105,200	105,200	-	-
Current liabilities				
Trade payables				
SM Terras Agrícolas	8,096	18,647	-	-
Bio SC	294	245	-	-
CTC - Centro de Tecnologia Canavieira S.A.	-	106	-	106
Others	19	73	19	73
	8,409	19,071	19	179
Current and non-current liabilities				
Leases and agricultural partnerships payable from stockholders and related parties	541,653	543,794	541,653	543,794

(i) These relate substantially to the apportionment of expenses with administrative services and sale of steam.

(ii) The amount relates to the capital contribution for the construction of the Biomethane plant (fully paid in on July 25, 2024).

Notes to the interim accounting information at June 30, 2024

All amounts in thousands of reais unless otherwise stated

b) Parent and Consolidated transactions in the period:

	Parent		Consolidated	
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
Sales revenue				
Bio BV	2,569	2,578	-	-
Bio SM	4,797	2,453	-	-
Bioenergia SM	3,952	-	-	-
Bio SC	1,435	762	-	-
	12,753	5,793	-	-
Lease revenue (purchase of products and services) / reimbursed expenses				
SM Terras Agrícolas	(19,326)	(19,420)	-	-
CTC - Centro de Tecnologia Canavieira S.A.	(241)	(1,645)	819	(1,294)
SM Terras Imobiliárias	(8,763)	(7,119)	-	-
Bio SC	(236)	(117)	-	-
Bio BV	214	135	-	-
Bio SM	77	20	-	-
	(28,275)	(28,146)	819	(1,294)
Stockholders and related parties				
Sugarcane purchases / land leases / reimbursed expenses				
Agro Pecuária Boa Vista S/A	(14,687)	(14,062)	(14,687)	(14,062)
Others	(4,962)	(8,163)	(5,231)	(8,255)
	(19,649)	(22,225)	(19,918)	(22,317)
Finance result				
Finance income (costs)				
Luiz Ometto Participações S.A.	-	253	-	253
Others (i)	(14,822)	(37,877)	(14,822)	(37,877)
	(14,822)	(37,624)	(14,822)	(37,624)

(i) Adjustment of partnership and lease agreements to present value, net of taxes.

Sales revenue relates to sale of steam. Purchases of products and services relate to purchase of sugarcane, electric power, steam production service, and royalties. Expenses reimbursed by subsidiaries or related parties refer to the apportionment of administrative service costs, which is calculated based on agreements signed by the parties.

c) Management compensation:

The compensation paid or payable for management's services is shown below:

	Parent		Consolidated	
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
Fixed and variable compensation, and benefits	20,709	9,418	21,320	10,001
Social security contributions	4,100	1,854	4,208	1,958
Total compensation and charges	24,809	11,272	25,528	11,959

d) Long-term incentive plans:

São Martinho offers its executive officers a virtual stock option plan, which provides for cash settlement of the positive difference between the market value on the day before the exercise and the price set in each program.

Notes to the interim accounting information at June 30, 2024

All amounts in thousands of reais unless otherwise stated

On December 11, 2023, the Board of Directors approved the granting of 1,393,489 virtual options, through the 15th Stock Option Plan, and 438,000 share options (exercisable in December 2028), the regulations of which are filed at the Company's headquarters.

The carrying amount of the liability relating to new fair value calculation of the Virtual Stock Option Plan is R\$ 28,716 (R\$ 22,364 at March 31, 2024).

The balances of virtual stock options issued and their changes during the current period are shown below:

Plan	10th Plan	11th Plan	12th Plan	13th Plan	14th Plan	15th Plan	Total
Plan issue date	12/10/2018	12/09/2019	12/14/2020	12/13/2021	12/12/2022	12/11/2023	
Deadline for exercise	2025	2026	2027	2028	2029	2030	
Number of virtual options granted	1,133,513	1,072,712	754,980	563,175	1,463,211	1,393,489	6,381,080
Number of virtual options exercised/cancelled	(828,137)	(428,686)	(82,211)	(24,896)	(56,325)	-	(1,420,255)
Number of virtual options to be exercised	305,376	644,026	672,769	538,279	1,406,886	1,393,489	4,960,825
Exercise price (R\$)	19.07	19.38	24.22	37.17	27.44	33.70	

The plans' virtual options may be exercised after their respective grace periods, as follows: 1/3 after the second year of the grant, 1/3 after the third year of the grant, and 1/3 after the fourth year of the grant, always in compliance with each plan's deadline. The limit approved at the Annual General Meeting relates to the virtual options to be granted in that year.

10. Investments

The Parent and Consolidated balance of investments in other companies is as follows:

Company	Ownership interest %	Parent					
		Equity		Book value of investment		Equity in the results of investees	
		June 30, 2024	March 31, 2024	June 30, 2024	March 31, 2024	June 30, 2024	June 30, 2023
Classified as Investments							
SM Terras Agrícolas	100.00%	875,828	855,747	867,993	855,747	12,246	10,692
SM Terras Imobiliárias	100.00%	682,401	672,337	678,480	672,337	6,143	8,876
Bio SC	100.00%	80,596	55,937	82,798	58,172	24,625	13,681
SM Inova	100.00%	51,345	49,455	51,345	49,455	1,869	11,717
Bio SM	100.00%	40,817	36,142	40,817	36,142	4,675	(967)
Bio BV	100.00%	52,480	35,435	52,480	35,435	17,046	1,791
Bioenergia SM	100.00%	27,004	29,218	27,004	29,218	(2,214)	6,867
SM Logística	100.00%	1,163	1,141	1,163	1,141	21	26
Biometano SC	100.00%	2,239	1,100	2,239	1,100	1,140	-
Total classified as Investments		1,813,873	1,736,512	1,804,319	1,738,747	65,551	52,683

Notes to the interim accounting information at June 30, 2024

All amounts in thousands of reais unless otherwise stated

Company	Ownership interest %	Consolidated					
		Equity		Book value of investment		Equity in the results of investees	
		June 30, 2024	March 31, 2024	June 30, 2024	March 31, 2024	June 30, 2024	June 30, 2023
Classified as Investments							
CTC - Centro de Tecnologia Canavieira S.A. (i)	5.41%	1,015,793	980,599	54,999	53,094	1,868	1,789
Others		-	-	1,599	1,598	-	-
Total classified as Investments		1,015,793	980,599	56,598	54,692	1,868	1,789

(i) Pursuant to item 16 of CPC 18 (R2), the interest held by the Company in CTC is accounted for under the equity method, since the Company has significant influence over the investee, through its subsidiary SM Inova.

There are no cross-holdings between the Parent and the investees.

Changes in investments during the period were as follows:

	Parent		Consolidated	
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
Balance at the beginning of the period	1,738,747	1,720,098	54,692	47,798
Share of profit (loss) of equity-accounted investees	65,551	52,683	1,868	1,789
Dividends distributed	-	-	16	-
Other effects of investments	21	9	22	9
Balance at the end of the period	1,804,319	1,772,790	56,598	49,596

Summarized information on investments

Company	Ownership interest %	Assets		Liabilities			Profit (loss) for the period
		June 30, 2024		June 30, 2024			
		Current	Non-current	Current	Non-current	Equity	
SM Terras Agrícolas	100.00%	98,502	1,130,741	4,175	349,240	875,828	20,081
SM Terras Imobiliárias	100.00%	27,728	659,867	4,256	938	682,401	10,064
Bio SC	100.00%	67,698	25,534	9,557	3,079	80,596	24,659
SM Inova	100.00%	2,107	54,999	1	5,760	51,345	1,869
Bio SM	100.00%	25,581	17,149	1,913	-	40,817	4,675
Bio BV	100.00%	58,667	12,108	17,977	318	52,480	17,046
Bioenergia SM	100.00%	19,041	54,580	7,137	39,480	27,004	(2,214)
SM Logística	100.00%	1,202	-	39	-	1,163	22
Biometano SC	100.00%	62,952	50,772	6,281	105,204	2,239	1,140
Total		363,478	2,005,750	51,336	504,019	1,813,873	77,342

Notes to the interim accounting information at June 30, 2024

All amounts in thousands of reais unless otherwise stated

		Assets		Liabilities			June 30, 2023
		March 31, 2024		March 31, 2024			
Company	Ownership interest %	Current	Non- current	Current	Non- current	Equity	Profit (loss) for the period
SM Terras Agrícolas	100.00%	81,874	1,130,741	7,628	349,240	855,747	19,868
SM Terras Imobiliárias	100.00%	19,592	658,149	4,488	916	672,337	11,540
Bio SC	100.00%	42,022	26,216	9,161	3,140	55,937	16,544
SM Inova	100.00%	2,123	53,094	2	5,760	49,455	1,791
Bio SM	100.00%	19,468	17,503	829	-	36,142	6,867
Bio BV	100.00%	29,904	12,410	6,556	323	35,435	11,717
Bioenergia SM	100.00%	18,117	54,257	3,676	39,480	29,218	(967)
SM Logística	100.00%	1,185	-	44	-	1,141	25
Biometano SC	100.00%	83,679	25,342	2,717	105,204	1,100	-
Total		297,964	1,977,712	35,101	504,063	1,736,512	67,385

11. Property, plant and equipment

The assets' net book values and useful lives, as well as the depreciation methods, are reviewed at each year-end, and adjusted prospectively, where applicable. Depreciation is calculated using the straight-line method; for production equipment, the accelerated depreciation method is applied, taking into consideration the crushing season.

Maintenance costs that extend the useful lives of property, plant and equipment items are capitalized and items replacing others that suffer wear and tear during the crop season are recorded as assets, and depreciated during the subsequent crop season. Maintenance costs that do not affect the useful lives of the assets are recognized as expenses when incurred. Replaced items are written off.

Sugarcane plantations correspond to the bearer plants, which are exclusively used for growing sugarcane. Sugarcane is classified as a permanent crop and its economically productive cycle lasts, on average, eight years from the first harvest. Interest charges on borrowings taken to finance the construction of property, plant and equipment are capitalized during the period required to construct and prepare the asset for its intended use.

Notes to the interim accounting information at June 30, 2024

All amounts in thousands of reais unless otherwise stated

Parent	Land	Buildings and facilities	Manufacturing equipment and facilities	Vehicles	Agricultural machinery and implements	Sugarcane plantations	Construction in progress	Other PP&E	Total
At March 31, 2023	96,046	549,447	1,869,358	361,580	421,743	1,835,266	605,699	35,134	5,774,273
Acquisitions	-	3,101	1,527	-	12,973	129,275	67,691	183	214,750
Expenditures with intercrop maintenance	-	-	12,210	3,994	5,524	-	-	-	21,728
Transfer of PP&E/biological assets	-	-	-	-	-	(308,087)	-	-	(308,087)
Cost of sale	-	-	(46)	(555)	(787)	-	-	-	(1,388)
Transfer between groups	-	11,671	(9,119)	-	(4,883)	4,883	(3,463)	911	-
Depreciation	-	(4,554)	(107,163)	(34,753)	(44,879)	-	-	(2,458)	(193,807)
At June 30, 2023	96,046	559,665	1,766,767	330,266	389,691	1,661,337	669,927	33,770	5,507,469
Total cost	96,046	705,718	2,812,661	591,959	847,662	1,661,337	669,927	194,856	7,580,166
Accumulated depreciation	-	(146,053)	(1,045,894)	(261,693)	(457,971)	-	-	(161,086)	(2,072,697)
Net book value	96,046	559,665	1,766,767	330,266	389,691	1,661,337	669,927	33,770	5,507,469
At March 31, 2024	96,046	576,914	2,162,157	360,862	518,459	1,947,584	489,474	30,248	6,181,744
Acquisitions	-	1,703	832	1,160	61,617	133,959	88,922	809	289,002
Expenditures with intercrop maintenance	-	-	5,988	1,756	2,384	-	-	-	10,128
Transfer of PP&E/biological assets	-	-	-	-	-	(145,418)	-	-	(145,418)
Cost of sale	-	-	(380)	(844)	(567)	-	-	-	(1,791)
Transfer between groups	-	10,509	72,966	(8,216)	(9,291)	9,481	(76,960)	1,511	-
Depreciation	-	(4,548)	(114,936)	(33,169)	(39,383)	-	-	(1,963)	(193,999)
At June 30, 2024	96,046	584,578	2,126,627	321,549	533,219	1,945,606	501,436	30,605	6,139,666
Total cost	96,046	748,118	3,285,154	608,957	1,016,341	1,945,606	501,436	200,052	8,401,710
Accumulated depreciation	-	(163,540)	(1,158,527)	(287,408)	(483,122)	-	-	(169,447)	(2,262,044)
Net book value	96,046	584,578	2,126,627	321,549	533,219	1,945,606	501,436	30,605	6,139,666
Residual value:									
Historical cost	24,759	530,168	1,979,744	308,464	523,151	1,945,606	501,436	30,605	5,843,933
Surplus on revaluation	71,287	54,410	146,883	13,085	10,068	-	-	-	295,733
Annual average depreciation rates/ Transfer of biological assets	-	2%	4%	7%	9%	14%	-	14%	

Notes to the interim accounting information at June 30, 2024

All amounts in thousands of reais unless otherwise stated

Consolidated	Land	Buildings and facilities	Manufacturing equipment and facilities	Vehicles	Agricultural machinery and implements	Sugarcane plantations	Construction in progress	Improvements and other PPE	Total
At March 31, 2023	1,816,755	550,378	1,931,129	361,579	421,743	1,835,265	654,580	35,138	7,606,567
Acquisitions	-	3,101	1,549	-	12,973	129,275	68,680	183	215,761
Expenditures with intercrop maintenance	-	-	12,210	3,994	5,524	-	-	-	21,728
Cost of sale	(2)	-	(45)	(554)	(787)	-	-	-	(1,388)
Transfer of biological assets	-	-	-	-	-	(308,087)	-	-	(308,087)
Transfer between groups	-	11,671	(9,119)	-	(4,883)	4,883	(3,463)	911	-
Depreciation	-	(4,568)	(108,268)	(34,754)	(44,879)	-	-	(2,458)	(194,927)
At June 30, 2023	1,816,753	560,582	1,827,456	330,265	389,691	1,661,336	719,797	33,774	7,339,654
Total cost	1,816,753	708,779	2,914,196	591,959	847,662	1,661,336	719,797	194,870	9,455,352
Accumulated depreciation	-	(148,197)	(1,086,740)	(261,694)	(457,971)	-	-	(161,096)	(2,115,698)
Net book value	1,816,753	560,582	1,827,456	330,265	389,691	1,661,336	719,797	33,774	7,339,654
At March 31, 2024	1,820,793	578,918	2,273,946	360,861	518,459	1,947,583	514,338	30,250	8,045,148
Acquisitions	-	1,703	842	1,160	61,617	133,959	114,736	809	314,826
Expenditures with intercrop maintenance	-	-	5,988	1,756	2,384	-	-	-	10,128
Transfer of biological assets	-	-	-	-	-	(145,418)	-	-	(145,418)
Cost of sale	-	-	(378)	(845)	(568)	-	-	-	(1,791)
Transfer between groups	-	17,775	64,723	(8,216)	(9,291)	9,481	(76,377)	1,905	-
Depreciation	-	(4,650)	(116,910)	(33,170)	(39,384)	-	-	(1,972)	(196,086)
At June 30, 2024	1,820,793	593,746	2,228,211	321,546	533,217	1,945,605	552,697	30,992	8,026,807
Total cost	1,820,793	759,563	3,431,746	608,956	1,016,340	1,945,605	552,697	200,459	10,336,159
Accumulated depreciation	-	(165,817)	(1,203,535)	(287,410)	(483,123)	-	-	(169,467)	(2,309,352)
Net book value	1,820,793	593,746	2,228,211	321,546	533,217	1,945,605	552,697	30,992	8,026,807
Residual value:									
Historical cost	171,565	538,584	2,068,752	308,461	523,149	1,945,605	552,697	30,992	6,139,805
Surplus on revaluation	1,649,228	55,162	159,459	13,085	10,068	-	-	-	1,887,002
Annual average depreciation rates/ Transfer of biological assets	-	2%	4%	8%	9%	14%	-	12%	

Notes to the interim accounting information at June 30, 2024

All amounts in thousands of reais unless otherwise stated

The amount recorded under "Construction in progress" refers mainly to the construction of the biogas plant, scheduled for completion in August 2025, and the irrigation plan project, scheduled for March 2025.

The total carrying amount of the assets pledged as collateral is R\$ 771,295, of which R\$ 39,144 corresponds to rural properties, which cover an area of 1,505 hectares of land.

Financial charges capitalized by the Company during the period amounted to R\$ 1,541 at an average rate of 7.5% p.a. (R\$ 2,284, at an average rate of 7.6% p.a. at June 30, 2023).

12. Intangible assets

Goodwill is carried at cost less accumulated impairment losses, and is tested annually for impairment.

Parent	Goodwill based on future profitability (i)	Rights on sugarcane contracts (ii)	Software	Forest easement right	Other intangible assets	Intangible assets under construction	Total
At March 31, 2023	374,632	17,833	8,852	29	1,291	36,498	439,135
Acquisitions	-	-	247	-	-	-	247
Amortization	-	(399)	(453)	-	-	-	(852)
At June 30, 2023	374,632	17,434	8,646	29	1,291	36,498	438,530
Total cost	384,118	42,443	43,685	29	1,291	36,498	508,064
Accumulated amortization	(9,486)	(25,009)	(35,039)	-	-	-	(69,534)
Net book value	374,632	17,434	8,646	29	1,291	36,498	438,530
At March 31, 2024	374,632	16,769	50,379	29	1,291	204	443,304
Acquisitions	-	-	515	(3)	-	-	512
Amortization	-	(1,572)	(2,804)	-	-	-	(4,376)
At June 30, 2024	374,632	15,197	48,090	26	1,291	204	439,440
Total cost	384,118	42,443	93,810	26	1,291	204	521,892
Accumulated amortization	(9,486)	(27,246)	(45,720)	-	-	-	(82,452)
Net book value	374,632	15,197	48,090	26	1,291	204	439,440
Annual average amortization rates	-	10%	20%	-	-	-	-

Consolidated	Goodwill based on future profitability (i)	Rights on sugarcane contracts (ii)	Rights on electric power supply contracts	Software	Forest easement right	Other intangible assets	Intangible assets under construction	Total
At March 31, 2023	374,632	17,833	13,334	8,852	11,636	1,291	36,547	464,125
Acquisitions	-	-	-	247	-	-	6	253
Amortization	-	(399)	(4,294)	(453)	-	-	-	(5,146)
At June 30, 2023	374,632	17,434	9,040	8,646	11,636	1,291	36,553	459,232
Total cost	384,118	42,443	103,401	43,685	11,636	1,291	36,553	623,127
Accumulated amortization	(9,486)	(25,009)	(94,361)	(35,039)	-	-	-	(163,895)
Net book value	374,632	17,434	9,040	8,646	11,636	1,291	36,553	459,232
At March 31, 2024	374,632	16,769	-	50,379	11,636	1,291	260	454,967
Acquisitions	-	-	-	515	(3)	-	-	512
Amortization	-	(1,572)	-	(2,804)	-	-	-	(4,376)
At June 30, 2024	374,632	15,197	-	48,090	11,633	1,291	260	451,103
Total cost	384,118	42,443	103,401	93,810	11,633	1,291	260	636,956
Accumulated amortization	(9,486)	(27,246)	(103,401)	(45,720)	-	-	-	(185,853)
Net book value	374,632	15,197	-	48,090	11,633	1,291	260	451,103
Annual average amortization rates	-	10%	10%	20%	-	-	-	-

(i) Goodwill related to prior years' business combination of companies merged into the Company;

Notes to the interim accounting information at June 30, 2024

All amounts in thousands of reais unless otherwise stated

Allocation of goodwill	June 30, 2024	March 31, 2024
Sugar	242,960	242,960
Ethanol	122,579	122,579
Others	9,093	9,093
	374,632	374,632

- (ii) Relates to the acquisition of rights to agricultural partnership and sugarcane supply contracts, which have a useful life defined pursuant to their contractual relationship, with amortization calculated on the basis of the quantity of sugarcane harvested during the term of the contract with the partner or supplier.

Impairment of non-financial assets

In accordance with the provisions of CPC 01 (IAS 36) - Impairment of assets, goodwill, property, plant and equipment, and intangible assets are tested for impairment whenever events or changes in circumstances indicate that their carrying amount may not be recoverable.

Goodwill and intangible assets with indefinite useful lives are tested for impairment at least once a year, or more frequently, if evidence of impairment is found. Annual impairment tests are performed at the end of March. In order to determine impairment loss, assets are grouped into Cash-Generating Units (CGU), which correspond to the smallest group of cash flow generating assets that are clearly independent from cash flows generated by another CGU.

On March 31, 2024, the Company tested its non-current assets for impairment. The assessment was based on calculations of the value in use of each CGU, using pre-tax cash flow projections supported by financial budgets approved by management. The growth rate does not exceed the long-term average growth rate of the sector in which the CGU operates.

The main assumptions and estimates relate to sugar and ethanol sales prices, electric power costs, and other macroeconomic data.

Main assumptions used by the Company (data from March 31, 2024):

Cash-generating Units	Nominal perpetuity growth rate	Nominal discount rate
São Martinho production unit	5.00%	9.56%
Santa Cruz production unit	5.00%	9.56%

13. Right-of-use assets, and lease and agricultural partnerships payable

São Martinho adopts IFRS 16 (CPC 06 (R2)) - Leases, which introduces a single accounting model for leases and agricultural partnerships in the statement of financial position. Right-of-use assets were recognized in assets and lease payment obligations in liabilities.

Definitions used:

Lease

The Company and its subsidiaries consider as a lease any contract that conveys the right to control the use of an asset for a period, in exchange for consideration. Accordingly, agricultural partnership agreements, although having a different legal form, were accounted for as leases.

The Company as the Lessee

The Company adopted the simplified cumulative effect approach and the following criteria : (i) liabilities: comprised of remaining balances of the contracts in force on the date of initial adoption, net of advance payments, and discounted at the average rate of DI futures contracts (nominal interest coupon), with terms equivalent to those of the partnership and lease agreements; and (ii) assets: comprised of the amount equivalent to the liabilities adjusted to present value. The right-of-use assets and balance payable are remeasured at the reporting date, based on the index disclosed by the Council of Sugarcane, Sugar and Alcohol Producers of the State of São Paulo (CONSECANA).

No assets or liabilities were recognized for low value items (computers, telephones and small IT equipment in general) and/or short-term lease agreements (up to 12 months). Payments associated with these agreements were recorded as expenses on a straight-line basis.

Changes relating to Right-of-use assets, Lease liabilities, and Agricultural partnerships are shown below:

Notes to the interim accounting information at June 30, 2024

All amounts in thousands of reais unless otherwise stated

a) Right-of-use assets

	Parent and Consolidated			
	Vehicles	Agricultural partnership	Agricultural lease	Total
At March 31, 2023	21,094	2,233,580	670,651	2,925,325
Additions	699	192,872	663	194,234
Depreciation	(3,556)	(97,957)	(24,130)	(125,643)
At June 30, 2023	18,237	2,328,495	647,184	2,993,916
At March 31, 2024	8,689	2,187,893	593,015	2,789,597
Additions	251	194,361	30,725	225,337
Depreciation	(5,762)	(106,088)	(23,998)	(135,848)
At June 30, 2024	3,178	2,276,166	599,742	2,879,086
Useful lives (years)	1 to 2	2 to 29	2 to 20	

b) Lease liabilities and agricultural partnership

	Parent and Consolidated		
	Leases payable	Agricultural partnership	Total
At March 31, 2023	702,083	2,339,688	3,041,771
Offset of advances	-	(36,647)	(36,647)
Additions	1,362	192,872	194,234
Payments made	(41,989)	(113,203)	(155,192)
Financial charges	46,103	42,628	88,731
At June 30, 2023	707,559	2,425,338	3,132,897
At March 31, 2024	636,903	2,237,857	2,874,760
Offset of advances	-	2,770	2,770
Additions	30,976	194,361	225,337
Payments made	(35,737)	(230,777)	(266,514)
Financial charges	18,756	68,354	87,110
At June 30, 2024	650,898	2,272,565	2,923,463
Total in current liabilities	103,104	525,967	629,071
Total in non-current liabilities	547,794	1,746,598	2,294,392
At June 30, 2024	650,898	2,272,565	2,923,463

The balance of long-term lease agreements and agricultural partnerships payable is shown below:

Notes to the interim accounting information at June 30, 2024

All amounts in thousands of reais unless otherwise stated

Maturity	Parent and Consolidated
From 7/1/2025 to 6/30/2026	647,737
From 7/1/2026 to 6/30/2027	558,782
From 7/1/2027 to 6/30/2028	451,988
From 7/1/2028 to 6/30/2029	365,647
From 7/1/2029 to 6/30/2030	304,406
From 7/1/2030 to 6/30/2031	265,138
From 7/1/2031 to 6/30/2032	225,647
From 7/1/2032 onwards	814,891
(-) Adjustment to present value	(1,339,844)
	2,294,392

The table below shows the potential rights to PIS/COFINS built-in in lease payments:

Parent and Consolidated	Agricultural lease	Adjustment to present value
Lease payment	992,675	326,078
Potentially recoverable PIS/COFINS (9.25%)	(69,630)	(22,192)
	923,045	303,886

São Martinho's nominal incremental borrowing rates were based on the risk-free interest rates observed in the market for the terms of its contracts, according to its economic circumstances:

Parent and Consolidated	
Contract terms	Incremental rate
2 years	8.78%
3 years	9.77%
4 years	8.91%
5 years	9.91%
6 years	10.42%
7 years	10.36%
8 years	9.67%
9 years	10.93%
10 years	9.27%
11 years	10.56%
From 12 to 30 years	10.53%

14. Borrowings

Borrowings are initially recognized at fair value, net of the transaction costs incurred, and are subsequently carried at amortized cost on the respective maturity dates.

Notes to the interim accounting information at June 30, 2024

All amounts in thousands of reais unless otherwise stated

Type	Annual charges		Parent		Consolidated	
	Rate	Index	June 30, 2024	March 31, 2024	June 30, 2024	March 31, 2024
In local currency						
BNDES credit facility	2.1%	+TJLP	86,698	90,619	86,698	90,619
BNDES credit facility	4.2% (4.3% in March)	+IPCA	1,366,727	1,261,389	1,409,186	1,302,977
BNDES credit facility (ii)	5.5% (4.8% in March)	Fixed rate	146,888	183,246	146,888	183,246
FINEP	4.0%	Fixed rate	-	3,377	-	3,377
FINEP	2.7%	+ Referential Rate (TR)	140,874	140,894	140,874	140,894
Agro Export	1.1% (0.6% in March)	+CDI	107,171	104,370	107,171	104,370
Rural credit (iii)	8.0%	+ Referential Rate (TR)	189,811	185,723	189,811	185,723
Rural credit	8.5%	Fixed rate	4,009	-	4,009	-
Rural credit	100.0%	CDI	3,007	-	3,007	-
Agribusiness Receivable Certificate (CRA)	99.3% (98.5% in March)	CDI	1,839,651	922,970	1,839,651	922,970
Agribusiness Receivable Certificate (CRA)	4.7%	+IPCA	301,709	293,778	301,709	293,778
Debentures (iv)	6.0%	+IPCA	2,367,219	2,317,491	2,367,219	2,317,491
International Finance Corporation (IFC)	1.5%	+CDI	284,100	309,628	284,100	309,628
Other securitized credits	3.0%	+IGP-M/ Fixed rate	25	28	25	28
Total in local currency			6,837,889	5,813,513	6,880,348	5,855,101
In foreign currency						
Export prepayment (PPE) (v)	1.7%	+ 6M Sofr	281,159	301,379	281,159	301,379
International Finance Corporation (IFC) (vi)	1.8%	+ 6M Sofr	375,311	380,338	375,311	380,338
Total in foreign currency			656,470	681,717	656,470	681,717
TOTAL (i)			7,494,359	6,495,230	7,536,818	6,536,818
Total in current liabilities			1,510,723	1,094,298	1,513,703	1,096,406
Total in non-current liabilities			5,983,636	5,400,932	6,023,115	5,440,412
			7,494,359	6,495,230	7,536,818	6,536,818

- (i) Total costs of liabilities in local and foreign currency were calculated based on the terms of the portfolios, and on Interbank Deposit (DI) and SOFR yield curves.
- (ii) 76.6% of the BNDES credit facilities at fixed rate is linked to 53.5% of the DI rate, through a swap contract.
- (iii) 97.9% of the rural credit amount is linked to 72.95% of the DI rate, through a swap contract.
- (iv) 25% of debentures is linked to the DI rate +1.1% p.a., 23.1% to the DI rate + 1.4% p.a., and the remaining 51.9%, to 108.2% of the DI rate, through a swap contract.
- (v) 80% of the Export Credit Note (PPE) amount indexed to SOFR + is linked to the DI rate + +0.83% p.a., through a swap contract.
- (vi) 60.1% of the borrowing with International Finance Corporation (IFC) is linked to the DI rate +1.15% p.a., and 39.9% is linked to a fixed rate of 5.0%, through a swap contract.

Long-term swaps are highly susceptible to fluctuations in future inflation curves, notably the Extended Consumer Price Index (IPCA), which can significantly affect their fair value over time. Nevertheless, it is essential to note that, at the end of the contracts, the effective cost will be firmly tied to the CDI rate plus a fixed percentage, which provides a clear and stable financial outlook.

Notes to the interim accounting information at June 30, 2024

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The table below shows the changes in borrowings during the period:

Changes in debt	Parent		Consolidated	
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
Balance at the beginning of the period	6,495,230	6,584,333	6,536,818	6,623,883
Proceeds from borrowings	1,063,982	-	1,063,982	-
Repayment of principal	(112,848)	(636,019)	(112,848)	(636,019)
Payment of interest	(165,136)	(208,379)	(165,136)	(208,379)
Provision for interest/indexation accruals	144,561	188,034	145,432	189,387
Foreign exchange effects	68,570	(46,071)	68,570	(46,071)
Balance at the end of the period	7,494,359	5,881,898	7,536,818	5,922,801

Long-term borrowings mature as follows:

	Parent	Consolidated
From 7/1/2025 to 6/30/2026	691,113	692,910
From 7/1/2026 to 6/30/2027	489,052	490,973
From 7/1/2027 to 6/30/2028	600,591	602,579
From 7/1/2028 to 6/30/2029	1,141,261	1,143,320
From 7/1/2029 to 6/30/2030	457,759	459,892
From 7/1/2030 to 6/30/2031	444,713	446,922
From 7/1/2031 to 6/30/2032	821,186	823,473
From 7/1/2032 to 6/30/2033	150,001	152,370
From 7/1/2033 to 6/30/2034	99,406	101,859
From 7/1/2034 onwards	1,088,554	1,108,817
	5,983,636	6,023,115

In this interim financial information, R\$ 771,295 of São Martinho's debt is backed by assets, being approximately 95% by equipment, vehicles, buildings and facilities, and approximately 5% by land. In addition, the Company has a contract secured by receivables from the sale of electric power.

At the reporting date, the carrying amounts of borrowings approximate their fair value. The fair values are based on discounted cash flows using a borrowing rate of 11.3% p.a. (10.0% p.a. at March 31, 2024)) and are classified within Level 2 of the fair value hierarchy.

Covenants

The Company has contracts amounting to R\$ 5,903,346 with restrictive covenants, such as "cross-default" and "negative pledge", and also tied to compliance with certain financial ratios, such as the Net debt/Adjusted EBITDA ratio, which are required and assessed annually.

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All amounts in thousands of reais unless otherwise stated

15. Trade payables

	Parent		Consolidated	
	June 30, 2024	March 31, 2024	June 30, 2024	March 31, 2024
Sugarcane (i)	410,421	46,296	401,735	25,187
Corn	52,440	-	52,440	
Materials, services, and other	215,042	375,916	221,173	383,403
	677,903	422,212	675,348	408,590

(i) Trade payables relate to the supply of sugarcane, as well as to any price adjustment calculated using the TRS (Total Recoverable Sugar) index disclosed by CONSECANA.

Of the total amount of trade payables, R\$ 8,409 in the Parent, and R\$ 19 in the Consolidated (R\$ 19,071 and R\$ 179 in the Parent and Consolidated, respectively, at March 31, 2024) refer to related parties (Note 9).

16. Obligations and rights with Copersucar

As part of the withdrawal process from Copersucar, the Company entered into an agreement that established obligations and rights that have not yet prescribed. The main obligations and rights are detailed below:

a) Obligations:

Copersucar provided funds, through bills of exchange, to its members, including the Company during the period of its association, for the purpose of financing their operations. These funds were obtained by the Cooperative from temporary cash surpluses arising from preliminary injunctions in lawsuits claiming suspension of the enforceability of taxes. These cash surpluses relate to provisions for contingencies recorded by the Cooperative as non-current liabilities. However, in the event of unfavorable outcomes in the lawsuits, the Company may be required to reimburse the amount within 120 days.

The liabilities include Excise Taxes (IPI), the constitutionality of which is being challenged in court by the Cooperative, and tax liabilities included in the Tax Recovery Program (REFIS) of Copersucar, as shown below.

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Parent and Consolidated	June 30, 2024	March 31, 2024
REFIS - Copersucar - Restated by reference to SELIC rate	4,796	8,303
Exchange Bill (LC) - Restated by reference to SELIC rate	80,321	79,670
Exchange Bill (LC) - Transfer of funds without imposition of charges	52,356	52,356
Expenses with tax proceedings	39,416	39,416
Others	2,300	2,300
	179,189	182,045
Current liabilities	(4,817)	(8,336)
Non-current liabilities	174,372	173,709

All the Company's liabilities to Copersucar are backed by bank sureties. Additionally, in accordance with the terms negotiated upon the withdrawal from Copersucar, the Company remains liable for any obligations in proportion to its interest in Copersucar from previous harvests, resulting from tax assessments that may arise for periods when the Company was a cooperative member.

Copersucar has been served tax assessment notices with respect to State Value-Added Tax (ICMS) levied on sales of fuel and industrial ethanol made up to December 31, 2008. These assessments were settled by Copersucar in March 2024, with exemption from the penalties imposed. The Company's contribution was proportional to its share, in the amount of R\$9 million, recorded under Other income (expenses), net.

b) Rights:

Copersucar is also a plaintiff in legal proceedings claiming the refund for overpayment of various taxes or indemnities. The Company, as a former Copersucar member, has a proportional right to these credits, and will inform the market when its legal right to these amounts is secured.

The lawsuits in which Copersucar is the plaintiff include a claim against the Federal Government seeking compensation for damages arising from a mandatory freeze of sugar and ethanol prices in the 1980s.

In June 2017, the 1st court-ordered debt security of R\$ 5.6 billion was issued (of which R\$ 730.5 million is due to the Company), and in June 2018, the 2nd court-ordered debt security of R\$ 10.6 billion (of which R\$ 1.4 billion is due to the Company) was issued. In March 2024, the last installment of the 2nd court-ordered debt security was settled and the 3rd court-ordered debt security was issued and settled (R\$286.3 million due to the Company), relating to the amount of R\$2.2 billion that was under dispute.

Copersucar transferred to the Company the amounts received from the Federal Government in connection with this lawsuit, as shown below.

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All amounts in thousands of reais unless otherwise stated

Copersucar rights	March/2019	December/2019	September/2020	October/ 2021	October/ 2022	July/2023	March/2024
1st Court-ordered debt security	906,287	1,059,956	1,083,223	1,174,400	1,346,041	1,418,483	-
2nd Court-ordered debt security	-	1,724,797	1,974,578	2,138,858	2,450,167	2,595,166	2,750,313
3rd Court-ordered debt security	-	-	-	-	-	-	3,313,612
Court-ordered debt securities - Copersucar	906,287	2,784,753	3,057,801	3,313,258	3,796,208	4,013,649	6,063,925
SMSA portion	150,563	462,634	507,996	550,436	630,668	666,792	1,007,407
PIS/COFINS withheld - Copersucar	(13,927)	(42,794)	(46,990)	(50,915)	(58,337)	(61,678)	(93,185)
Transfer to Luiz Ometto Participações S.A.	(3,313)	(24,119)	(26,700)	(28,697)	(33,226)	(35,296)	(51,400)
Other withholdings and expenses	(26,824)	(46,665)	(51,266)	(55,348)	(63,489)	(66,984)	(121,413)
Other net revenue - SMSA	106,499	349,056	383,040	415,476	475,616	502,834	741,409

Upon transferring the funds, Copersucar withheld a portion to cover legal costs related to the dispute about the levy of PIS and COFINS on the compensation received, while undertaking to transfer the corresponding amounts in the event of a favorable outcome. At June 30 and March 31, 2024, the balance receivable from Copersucar totaled R\$ 367,826, recognized within "Other non-current assets". The Company, in line with the measures taken by Copersucar, also filed a lawsuit, supported by a judicial deposit, claiming the suspension of the levy of IRPJ/CSLL/PIS/COFINS. The judicial deposits were provided for under "Taxes with suspended payment" in liabilities.

As established in the Agreement for Purchase and Sale of Shares of Santa Cruz S.A. Açúcar e Álcool ("USC"), the Company transferred R\$ 202,751 to Luiz Ometto Participações S.A.

17. Equity

a) Share capital

Share capital at the reporting date amounted to R\$ 3,941,717 (R\$ 3,941,717 at March 31, 2024), represented by 346,375,066 registered common shares without par value.

The Company is authorized to increase capital up to the limit of 372,000,000 common shares, without requiring prior amendment to its bylaws, upon a resolution of the Board of Directors determining the share issue conditions, including price and payment term.

At the Extraordinary General Meeting held on July 26, 2024, the stockholders approved a capital increase of R\$ 503,475, without the issue of new shares, through the capitalization of the Tax Incentive Reserve.

b) Treasury shares

As repurchased equity instruments, treasury shares are recognized at acquisition cost, reducing Equity. No gain or loss is recognized in the statement of profit or loss on purchase, sale, issue, or cancellation of the Company's equity instruments.

Notes to the interim accounting information at June 30, 2024

All amounts in thousands of reais unless otherwise stated

The Board of Directors' meeting held on March 25, 2024 approved the cancellation of 7,636,263 treasury shares, and the opening of the 7th Share Buyback Program limited to 14,234,811 shares. Changes in the period were as follows:

	March 31, 2024	Acquisition of shares	Payment of bonus with treasury shares	June 30, 2024
Quantity	544,400	9,585,500	(279,125)	9,850,775
Average price (in R\$)	29.99	28.93	(28.19)	29.01
Total amount	16,325	277,288	(7,869)	285,744

c) Carrying value adjustments

Deemed cost

These adjustments arose from the surplus on revaluation of the deemed cost of land, buildings and industrial facilities, vehicles and machinery, and agricultural implements. The amounts are recorded net of tax effects and their realization is made through depreciation, write-off, or sale of the related assets. The realized amounts are transferred to "Retained earnings"

Hedge accounting fair value

This relates to the results of unrealized/settled transactions with derivative financial instruments, classified as hedge accounting. This balance is reversed from equity over time, as the related transactions mature, or the shipments take place.

d) Revenue reserves

Legal reserve

The legal reserve is credited annually with 5% of the profit for the year and cannot exceed 20% of the capital. The purpose of the legal reserve is to preserve capital, and it can only be used to offset losses and increase capital.

Capital budget reserve

This reserve is for future funding of investments aimed at increasing the production capacity and other improvement processes, and for working capital purposes.

Notes to the interim accounting information at June 30, 2024

All amounts in thousands of reais unless otherwise stated

Unrealized profit reserve

This reserve arises from unearned income from the the sale of interest held in Agro Pecuária Boa Vista S/A, sale of properties in real estate developments, and effects of changes in shareholding.

On March 31, 2024, the transaction to sell the interest held in Agro Pecuária Boa Vista S/A was settled and consequently, the dividends related to the completion of the operation were accrued.

Tax incentive reserve

The Company benefits from a tax incentive program introduced by the State of Goiás, in the form of deferral of ICMS payment, the "Goiás Industrial Development Program - Produzir", which provides for a partial reduction in said tax. The use of this benefit is subject to compliance with all obligations set forth in the program, which relate to factors under the Company's control.

The benefit related to the reduction in the payment of ICMS is calculated on the debt balance determined for each computation period, by applying the discount percentage granted under the tax incentive program.

The amount of the tax incentive computed for the period was recorded in the statement of profit or loss under "Deductions from gross revenue" reducing the "ICMS payable" account. Since this amount may not be allocated as dividends, a tax incentive reserve was set up at the amount determined for the grant up to December 31, 2023, with a corresponding entry to "Retained earnings".

The amount of R\$ 20,067, allocated from Retained earnings to the Tax incentive reserve, impacted the result in this interim accounting information, both in the Parent and Consolidated accounts.

e) Dividends and interest on capital

In accordance with the Compensation Policy (Dividends), the stockholders are entitled to a dividend and/or interest on capital of at least 40% of the annual cash profit, as shown in the table below and in the financial letter released by the Company, or 25% of the profit for the year, after deduction of accumulated deficit and transfer to the Legal reserve, whichever is greater.

The Board of Directors' meeting held on June 19, 2023 approved the prepayment of stockholders' compensation, in the gross amount of R\$ 155,000, paid as interest on capital.

On June 17, 2024, the Board of Directors approved the anticipation of remuneration to shareholders in the gross amount of R\$ 150,000, paid through

Notes to the interim accounting information at June 30, 2024

All amounts in thousands of reais unless otherwise stated

interest on capital. The calculation of interest on capital is limited to 50% of the profit for the fiscal period. (January 1, 2024 to June 30, 2024). The interest on capital paid will be deducted from the dividends calculated in the current fiscal year, if the accumulated profit is not sufficient, it will be deducted from the existing profit reserve.

At the Annual General Meeting held on July 26, 2024, the stockholders approved the payment of additional dividends of R\$ 134,047, as proposed by management for the year ended March 31, 2024. This amount, increased by R\$ 16,056 from the realization of the unrealized profit reserve, totaled R\$ 150,103, which will be paid to the stockholders on August 13, 2024.

18. Profit sharing

As part of its policy, the Company manages a profit-sharing program for its employees, linked to a pre-agreed plan of operating and financial targets. In the reporting period, the amount of profit-sharing totaled R\$ 16,354 in the Parent and R\$ 16,428 in the Consolidated (R\$ 18,182 and R\$ 18,205 in the Parent and Consolidated, respectively, at June 30, 2023).

19. Income tax and social contribution

Deferred taxes (income tax and social contribution) are calculated on tax loss carryforwards and corresponding temporary differences between the tax bases of assets and liabilities and their carrying amounts in this interim financial information.

Deferred tax assets are recognized to the extent it is probable that future taxable profit will be available to offset temporary differences and/or tax losses, considering projections of future profitability based on internal assumptions and future economic scenarios, which may, therefore, suffer changes.

The Company has adopted IFRIC 23/ICPC 22 - Uncertainty over Income Tax Treatments, which addresses the accounting for income taxes in cases where the tax treatments involve uncertainty that affects the application of IAS 12 (CPC 32). The Company determines whether it considers each uncertain tax treatment separately or together with one or more uncertain tax treatments. The approach that best predicts the resolution of uncertainties is followed. The Company did not identify any effects from the adoption of this interpretation.

Notes to the interim accounting information at June 30, 2024

All amounts in thousands of reais unless otherwise stated

a) Balances

	Parent		Consolidated	
	June 30, 2024	March 31, 2024	June 30, 2024	March 31, 2024
Current assets				
. Income tax and social contribution recoverable	98,578	73,313	98,764	73,355
Debits in current liabilities				
. Income tax and social contribution payable	-	-	8,644	9,470

b) Changes in deferred income tax and social contribution balances

Parent	March 31, 2024	Recognized in the statement of profit or loss	Recognized in other comprehensive income	June 30, 2024
Income tax and social contribution losses	3,446	251	-	3,697
Exclusion of IRPJ/CSLL on tax overpayments (20.1)	6,937	-	-	6,937
Derivative financial instruments	(43,826)	15,187	36,227	7,588
Provision for contingencies	166,313	(761)	-	165,552
Foreign exchange gains	27,617	10,855	-	38,472
Other assets	193,057	171	-	193,228
Total deferred income and social contribution tax assets	353,544	25,703	36,227	415,474
Surplus on revaluation of PP&E (deemed cost)	(100,417)	(325)	-	(100,742)
Accelerated depreciation incentive	(464,238)	20,053	-	(444,185)
Tax benefit on merged goodwill	(197,959)	-	-	(197,959)
Foreign exchange losses	(48,114)	22,800	-	(25,314)
Other liabilities	(4,551)	(114)	-	(4,665)
Total deferred income and social contribution tax liabilities	(815,279)	42,414	-	(772,865)
Deferred income tax and social contribution	(461,735)	68,117	36,227	(357,391)

Consolidated	March 31, 2024	Recognized in the statement of profit or loss	Recognized in other comprehensive income	Consolidation adjustment - Rights on electric power supply contracts	June 30, 2024
Income tax and social contribution losses	3,446	251	-	-	3,697
Exclusion of IRPJ/CSLL on tax overpayments (20.1)	6,937	-	-	-	6,937
Derivative financial instruments	(43,826)	15,187	36,227	-	7,588
Provision for contingencies and other liabilities	166,313	(761)	-	-	165,552
Foreign exchange gains	27,617	10,855	-	-	38,472
Other assets	193,057	171	-	-	193,228
Total deferred income and social contribution tax assets	353,544	25,703	36,227	-	415,474
Surplus on revaluation of PP&E (deemed cost)	(453,118)	(260)	-	-	(453,378)
Accelerated depreciation incentive	(464,238)	20,053	-	-	(444,185)
Tax benefit on merged goodwill	(197,959)	-	-	-	(197,959)
Intangible assets	(1,151)	-	-	16	(1,135)
Gain from change in interest held in CTC	(5,068)	-	-	-	(5,068)
Foreign exchange losses	(48,114)	22,800	-	-	(25,314)
Other liabilities	(5,249)	260	-	-	(4,989)
Total deferred income and social contribution tax liabilities	(1,174,897)	42,853	-	16	(1,132,028)
Deferred income tax and social contribution	(821,353)	68,556	36,227	16	(716,554)

Deferred tax assets and liabilities are presented net in the statement of financial position, by each legal entity, when there is a legally enforceable right and the

Notes to the interim accounting information at June 30, 2024

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intention to offset them upon computation of current taxes, and when related to the same tax authority.

The Company recognizes deferred tax assets based on projections of taxable profit, which do not exceed a period of ten years, and are reviewed annually.

Deferred income tax and social contribution liabilities are realized mainly through the depreciation and disposal of the underlying property, plant and equipment items. The realization of this liability is estimated at the average rate of 15% per year, according to the depreciation rates of the respective property, plant and equipment items, except for the deferred tax liabilities on the surplus on revaluation of land, which will be realized if sold.

(i) Income tax/social contribution (IRPJ/CSLL) levied on tax overpayment refunds adjusted by the Selic rate declared to be unconstitutional

On September 24, 2021, the Supreme Court ("STF") judgment on RE No. 1.063.187, with general repercussion (Topic 962), unanimously ruled as unconstitutional the levy of income taxes on indexation/interest accruals (Selic rate) received by taxpayers as refunds for tax overpayments.

Based on this decision, and in accordance with ICPC 22 / IFRIC 23 - Uncertainty over Tax Treatments, the Company recognized R\$ 15,920 as current and deferred income tax assets for the year, as follows: R\$ 8,983 as income tax (IRPJ) and social contribution (CSLL) recoverable for the periods when the Company recorded actual profit, presented in non-current assets; The remaining R\$ 6,937 relates to the recomposition of tax losses for the periods in which the Company recorded tax loss carryforwards and to the use of excess tax losses resulting from the taxation at the Selic rate, offset against non-current liabilities under Deferred income tax and social contribution.

c) Reconciliation of the income tax and social contribution expense

	Parent		Consolidated	
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
Profit before taxes	29,645	214,823	35,485	219,672
Income tax and social contribution at nominal rates (34%)	(10,079)	(73,040)	(12,065)	(74,688)
Adjustments for calculation of the effective tax rate:				
. Equity in the results of investees	22,287	17,912	635	608
. Permanent (additions) exclusions, net	(614)	(505)	(614)	(505)
. Cbios	5,523	1,561	5,523	1,561
. Interest on capital	51,000	52,700	51,000	52,700
. State subsidy (Produzir/granted)	-	6,817	-	6,817
. Tax credit arising from subsidy (Law 14.789/2023)	8,558	-	8,558	-
. Adjustment to the calculation relating to subsidiary taxed based on deeme	-	-	17,792	14,103
. Others	-	-	6	-
Income tax and social contribution expenses	76,675	5,445	70,835	596
Income tax and social contribution at the effective rate	-258.6%	-2.5%	-199.6%	-0.3%
Current income tax and social contribution	8,558	(1,536)	2,279	(6,761)
Deferred income tax and social contribution	68,117	6,981	68,556	7,357

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20. Commitments

The Company assumes various commitments in the ordinary course of its business, among which:

Riparian forests and Legal Reserve areas

São Martinho has uncultivated areas, covered by preserved native vegetation, which are in the process of regeneration or enrichment, intended for the protection of the biodiversity and the sustainability of agricultural activities.

São Martinho's commitment to adopt the best environmental practices and sustainable actions is confirmed through full compliance with the Forest Code and other environmental legislation regarding Permanent Preservation (PPA) and Legal Reserve (LR) Areas. The Company has registered all its properties with the Rural Environmental Register (CAR) and adhered to the Environmental Regularization Program (PRA), which awaits legal regulation to be implemented

Investments in Permanent Preservation Areas, Legal Reserve, and other activities in connection with environmental regularization are duly recorded within property, plant and equipment.

Sales commitments

The Company's commitments for future sales of ethanol, sugar, electric power, and biomethane at the reporting date are shown below:

	Up to 1 year	From 2 to 3 years	More than 3 years
Ethanol (m³)	664,357	197,269	528,000
Sugar (metric tons)	1,397,886	1,674,636	2,500,000
Electric power (Mwh)	769,226	828,488	5,228,910
Biometano (m³)	-	21,279,817	115,306,483

These commitments reflect the Company's strategy of ensuring the sale of its future production while contributing for the stability of its revenue.

Purchases of inputs and corn

The Company regularly enters into purchase agreements for the acquisition of inputs intended for crop maintenance throughout the crop season, and also to purchase, at fixed prices, corn to be used in its ethanol production. These transactions are usually carried out on an annual basis.

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These contracts are a common practice for the Company to ensure the proper supply of agricultural inputs and essential raw materials for its operations, thereby contributing to the efficient management of its production over time.

21. Provision for contingencies

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated. Provisions are set up, reviewed, and adjusted to reflect management's best estimate at the reporting date.

21.1 Probable losses

Supported by its legal counsel's assessment of probable losses, management recorded the following provisions for contingencies classified as involving probable risk of losses (amounts adjusted for inflation):

	Parent			
	Tax claims	Civil and environmental claims	labor claims	Total
At March 31, 2023	16,247	7,681	86,778	110,706
Additions	11	27	13,107	13,145
Reversals	(5)	(1)	(3,256)	(3,262)
Utilization	(11)	(35)	(13,230)	(13,276)
Inflation adjustments	457	229	3,175	3,861
At June 30, 2023	16,699	7,901	86,574	111,174
At March 31, 2024	21,830	6,536	94,885	123,251
Additions	3,392	499	14,525	18,416
Reversals	(2,332)	(59)	(4,386)	(6,777)
Utilization	-	(751)	(11,451)	(12,202)
Inflation adjustments	(5,701)	434	3,595	(1,672)
At June 30, 2024	17,189	6,659	97,168	121,016

	Consolidated			
	Tax claims	Civil and environmental claims	labor claims	Total
At March 31, 2023	16,247	8,516	86,778	111,541
Additions	11	27	13,107	13,145
Reversals	(5)	(1)	(3,256)	(3,262)
Utilization	(11)	(35)	(13,230)	(13,276)
Inflation adjustments	457	254	3,175	3,886
At June 30, 2023	16,699	8,761	86,574	112,034
At March 31, 2024	21,829	7,452	94,885	124,166
Additions	3,392	499	14,525	18,416
Reversals	(2,332)	(59)	(4,386)	(6,777)
Utilization	-	(751)	(11,451)	(12,202)
Inflation adjustments	(5,700)	457	3,593	(1,650)
At June 30, 2024	17,189	7,598	97,166	121,953

Notes to the interim accounting information at June 30, 2024

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The nature of the main lawsuits to which the provisions are linked was as follows (Parent and Consolidated):

Tax lawsuits:

Relate to (i) Social Security Contribution; and (ii) success fees payable to lawyers defending the Company's interests in the related lawsuits.

Civil and environmental lawsuits:

Relate to: i) indemnities in general; (ii) environmental administrative penalties for environmental damages caused by the burning of sugarcane fields, which is being challenged by the Company; and (iii) success fees payable to the legal counsel for defending the respective lawsuits.

Labor lawsuits:

Relate to: (i) overtime payment; (ii) indemnity for elimination of breaks between shifts; (iii) hazardous duty and health hazard premiums; (iv) sundry indemnities; and (v) other labor charges.

21.2 Judicial deposits

	Parent			Consolidated		
	IAA (i)	Others	Total	IAA (i)	Others	Total
At March 31, 2023	1,051,683	37,289	1,088,972	1,051,683	37,293	1,088,976
Additions	-	1,641	1,641	-	1,642	1,642
Utilization	-	(2,760)	(2,760)	-	(2,760)	(2,760)
Inflation adjustments	29,327	772	30,099	29,327	774	30,101
At June 30, 2023	1,081,010	36,942	1,117,952	1,081,010	36,949	1,117,959
At March 31, 2024	1,455,585	35,611	1,491,196	1,455,585	35,628	1,491,213
Additions	401,013	772	401,785	401,013	772	401,785
Utilization	-	(3,126)	(3,126)	-	(3,126)	(3,126)
Inflation adjustments	40,131	246	40,377	40,131	245	40,376
At June 30, 2024	1,896,729	33,503	1,930,232	1,896,729	33,519	1,930,248

(i) Note 16 (b))

Judicial deposits relate to contingent assets and liabilities, accrue interest, and are recorded as non-current assets.

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All amounts in thousands of reais unless otherwise stated

21.3 Possible risk of losses

São Martinho is a party to other litigation proceedings of a tax, environmental, civil and labor nature, for which the risk of loss is classified as possible. The nature and estimated amounts are as follows:

Nature	Parent				Consolidated				
	June 30, 2024		March 31, 2024		June 30, 2024		March 31, 2024		
	Number of proceedings	Amount	Number of proceedings	Amount	Number of proceedings	Amount	Number of proceedings	Amount	
Environmental	93	9,606	95	9,671	93	9,606	95	9,671	
Civil	65	27,456	68	26,671	147	38,371	145	36,690	
Labor claims	71	16,470	78	16,379	72	16,492	79	16,400	
Tax claims									
Social security contribution	(i)	8	105,217	8	102,455	8	105,217	8	102,455
Computation of IRPJ/CSLL	(ii)	4	218,936	4	213,447	4	218,936	4	213,447
Offset of federal taxes	(iii)	73	185,094	74	192,523	79	190,744	81	207,197
ICMS	(iv)	18	134,833	18	103,534	18	134,833	18	103,534
Federal taxes	(v)	1	1,896,729	1	1,455,585	1	1,896,729	1	1,455,585
Other lawsuits	(vi)	7	17,136	9	16,582	9	17,384	12	16,029
Total		340	2,611,477	355	2,136,847	431	2,628,312	443	2,161,008

Tax lawsuits:

- (i) The lawsuits relate to the levy of the Social Security Contribution (INSS) on export revenue, under the allegation that exports carried out through the intermediation of a cooperative are not eligible for the exemption set out in Article 149, paragraph 2, of the Brazilian Federal Constitution.
- (ii) Relate to the exclusion from the income tax and social contribution tax base, of expenses related to incentivized accelerated depreciation, as provided for in Article 325 of the Income Tax Regulations (RIR)/2018.
- (iii) Relate to requests to offset and refund IRPJ, CSLL, PIS, COFINS, and other federal taxes for overpayments and/or tax losses, and tax credits proportional to the export revenue, which have been rejected by the Brazilian Federal Revenue Service (RFB).
- (iv) ICMS: a) challenge of credits based on the Control of ICMS Credit on Permanent Assets (CIAP); b.) allegedly undue ICMS credits granted under the "PRODUZIR" Program; c) ICMS-ST levied on interstate sales of ethanol; d) ICMS improperly levied on sales of yeast intended for animal feed, which are exempt from this tax.
- (v) The lawsuit relates to the levy of IRPJ/CSLL/PIS/COFINS on court-ordered debt payment received pursuant to the Sugar Pricing Lawsuit filed against the Sugar and Alcohol Institute (IAA) (Note 16).
- (vi) Other tax disputes: a) fee payable to the National Department of Mineral Research (DNPM); b.) levy of Property Transfer Tax (ITBI) on a merger transaction; c) Municipal Real Estate Tax (IPTU) collection claims; d.) Supplementary collection of Rural Property Tax (ITR); f) improper deduction of goodwill (joint and several liability).

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Other proceedings:

Civil proceedings comprise lawsuits for damage, in general arising from (i) traffic accidents; (ii) review of contracts; and (iii) damage to third parties resulting from fires in sugarcane plantation areas (strict liability).

Environmental proceedings relate to assessment notices issued by the Environmental Company of São Paulo State (CETESB) and/or environmental authorities for fires caused when clearing sugarcane fields, as well as annulment actions to cancel the fines imposed by the aforementioned entities.

Labor claims relate mainly to assessment notices served up by the Ministry of Labor and/or annulment actions to cancel these notices.

21.4 Income tax and social contribution levied on ICMS tax benefits (Topic 1.182 of the Superior Court of Justice (STJ))

The ICMS tax benefits received by the Company under the State of Goiás Produzir Program continue to be recognized and accounted for as an investment grant under Revenue reserves, in accordance with the requirements set forth in Supplementary Law 160/2017, and Law 12.973/2014, up to December 31, 2023.

Regarding the other tax benefits, based on the decision of the Superior Court of Justice (STJ) (Topic 1.182) and on the legal advisors' opinion, on December 31, 2023, the Company excluded other tax benefits (ICMS deferral, reduction of the tax base, and reduction of tax rate, among others) from the IRPJ and CSLL calculations.

Accordingly, in view of the trial court rulings and the STJ decision (Topic 1.182), the Company excluded the amount of R\$ 255,665 (recorded as Tax incentive reserve) from the calculation of income tax and social contribution on these benefits for the period ended December 31, 2023, which resulted in a tax reduction of R\$ 86,926. For periods prior to 2023, exclusions from the income tax and social contribution calculations and the corresponding accounting records will only be made after a final decision on the matter has been rendered.

With respect to the exclusion of tax incentives from the calculation of income tax and social contribution, pursuant to STJ decision (Topic 1.182), management believes that a successful outcome in the dispute is possible, based on the assessment of its legal counsel and considering the current case law.

22 Risk management and derivative financial instruments

The Company is exposed to market risks, including foreign exchange risk, commodity price volatility risk, interest rate risk, credit risk and liquidity risk.

Notes to the interim accounting information at June 30, 2024

All amounts in thousands of reais unless otherwise stated

Management believes that risk management is fundamental to: (i) monitor, on a continuous basis, the exposure levels relating to the sales volumes contracted; (ii) estimate the value of each risk, based on established limits of foreign exchange exposure and sugar sales prices; and (iii) prepare future cash flow forecasts and define the approval authority levels for taking out financial instruments designed to protect product prices and hedge sales performance against foreign exchange fluctuation, price volatility and interest rate.

Derivative financial instruments are contracted exclusively for the purpose of pricing and hedging the Company's exports of sugar, ethanol and other products against foreign exchange risk, price fluctuation, and interest rate variations.

22.1 Market risks

a) Foreign exchange risk

Management's policy requires the Company to manage its foreign exchange risk to reduce the adverse effects of a possible currency mismatch.

The Company manages its foreign exchange risk through currency non-deliverable forward contracts ("NDFs"), options strategies, swaps, and natural hedges (such as debt or purchases in foreign currency). The Company's financial risk management policy defines guidelines that establish the adequate level of protection for expected cash flows, mainly those related to export sales.

Assets and liabilities exposed to exchange variation

The table below summarizes the assets and liabilities denominated in foreign currency (U.S. dollars), recorded in the statement of financial position:

Consolidated	June 30, 2024	Equivalent to thousands of US\$
Current and non-current assets		
Cash and cash equivalents (banks - demand deposits)	204,165	36,732
Trade receivables	386,828	69,595
Derivative financial instruments	262,663	47,256
(+) Total assets	853,656	153,583
Current and non-current liabilities:		
Borrowings	656,470	118,094
Derivative financial instruments	354,415	63,756
(-) Total liabilities	1,010,885	181,850
Subtotal assets (liabilities)	(157,229)	(28,267)
Borrowings in foreign currency	656,470	118,094
Net asset exposure	499,241	89,827

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All amounts in thousands of reais unless otherwise stated

Borrowings in foreign currency are not included in the calculation of net exposure, since these will be settled with resources from future export revenue and are, therefore, covered by the Company's hedging policy.

These assets and liabilities were adjusted and recorded at the exchange rate in effect on the reporting date: R\$ 5.5583 per US\$ 1.00 for assets, and R\$ 5.5589 per US\$ 1.00 for liabilities.

b) Commodity price volatility risk

São Martinho is exposed to the risk of fluctuations in commodity prices in its sugar and ethanol production processes, and in acquisition of corn.

c) Cash flow and fair value interest rate risk

The Company's borrowings are contracted at floating rates. For borrowings in local currency, the risk of fluctuation in interest rates is naturally mitigated, since all financial investments are linked to floating rates. For borrowings in foreign currency, the risk of interest rate and currency fluctuation is mitigated through offshore financial investments, exports, and derivative instruments such as swaps.

d) Market risk sensitivity analysis

The following table provides a sensitivity analysis of the effects of changes in the significant risk factors to which the Company is exposed. The analysis considers only instruments that have not been designated for hedge accounting.

Consolidated	Risk factor	Impacts on P/L		
		Probable scenario 5%	Possible scenario 25%	Possible scenario 50%
Cash and cash equivalents	Decrease in exchange rate - R\$/US\$	(10,209)	(51,046)	(102,092)
Trade receivables	Decrease in exchange rate - R\$/US\$	(10,246)	(51,231)	(102,462)
Borrowings	Increase in exchange rate - R\$/US\$	(95)	(474)	(948)
Derivative financial instruments				
Currency forward contracts	Increase in exchange rate - R\$/US\$	(528)	(2,638)	(5,276)
Futures price (sugar and ethanol)	Increase in commodity futures prices	(7)	(35)	(71)
Swap contracts	Decrease in the exchange rate (R\$/US\$) and increase in the yield curve	(7,217)	(18,206)	(36,965)
Net exposure		(28,302)	(123,630)	(247,814)

The sensitivity analysis of changes in interest rates considers the effects of an increase or decrease of 5bps, 25bps and 50bps (basis points) in the pricing curve of the derivative instrument. The exposure to rates relates exclusively to changes in the Interbank Deposit (DI) yield curve. The impact on the result for other risk factors corresponds to changes of 5%, 25% and 50% in the respective market curve of their associated risk, described above (foreign exchange and commodities prices).

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e) Financial instruments

São Martinho elected to use hedge accounting to record the following derivative financial instruments: a) derivatives of sugar, ethanol and foreign currency - US dollar; and b) foreign currency debts - US dollar - that cover sales of the 2023/24 to 2025/26 crop seasons and were classified as cash flow hedges of highly probable expected transactions (future sales).

Prospective and retrospective tests carried out to verify the hedge accounting effectiveness showed that the hedge-designated instruments qualify as highly effective hedges against the effects of price fluctuations on the value of future sales.

Derivatives designated as cash flow hedges mitigate the effects of changes in future sales of sugar. These transactions are carried out on the New York - Intercontinental Exchange (ICE Futures US), with top-tier financial institutions through OTC contracts, or directly with the Company's customers.

For foreign exchange hedges, derivative and non-derivative financial instruments were designated as cash flow hedges in respect of future sales in foreign currency. These hedges are contracted through Non-Deliverable Forwards (NDFs), option strategies, swaps, and foreign currency borrowings from top-tier financial institutions, following the Risk Management criteria (Note 23.2).

At the reporting date and on March 31, 2024, the balances of assets and liabilities related to transactions involving derivative financial instruments and the respective maturity dates were as follows:

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Parent and Consolidated	June 30, 2024			
	Contracted amount/volume	Average price/rate	Notional value - R\$	Fair value - R\$
<u>In current assets - Gain</u>				
Margin deposit				36,496
Commodity futures contracts - Sugar #11 - Commodities Exchange				
. Sale commitment	94,950	21.54 U\$/lb	250,647	13,282
. Purchase commitment	28,754	18.85 U\$/lb	66,425	5,138
Commodity futures contracts - Corn				
. Sale commitment	73,800	59.61 BRL/sc	4,399	2
. Purchase commitment	4,500	58.5 BRL/sc	263	5
Commodity forward contracts - Sugar #11				
. Sale commitment	5,639	21.67 U\$/lb	14,976	932
Currency forward contracts (NDF) - US Dollar - OTC				
. Purchase commitment	16,910	5.13 USD/BRL	86,787	8,494
Commodity futures contracts - Sugar #11 - Commodities Exchange				
. Bidding position in call options	11,735	24.18 U\$/lb	34,775	223
. Bidding position in put options	88,752	21.21 U\$/lb	230,697	21,641
Interest rate swap contracts - OTC				4,605
Total derivative financial instruments in current assets				90,818
<u>In non-current assets - Gain</u>				
Currency forward contracts (NDF) - US Dollar - OTC				
. Purchase commitment	1,042	5.75 USD/BRL	5,995	197
Commodity futures contracts - Sugar #11 - Commodities Exchange				
. Bidding position in put options	5,182	18.00 U\$/lb	11,431	762
Interest rate swap contracts - OTC				170,886
Total derivative financial instruments in non-current assets				171,845

Parent and Consolidated	June 30, 2024			
	Contracted amount/volume	Average price/rate	Notional value - R\$	Fair value - R\$
<u>In current liabilities - Loss</u>				
Commodity futures contracts - Sugar #11 - Commodities Exchange				
. Sale commitment	196,656	18.97 U\$/lb	457,190	25,623
. Purchase commitment	17,019	21.32 U\$/lb	44,468	1,852
Commodity futures contracts - Corn				
. Sale commitment	318,150	59.30 BRL/sc	18,866	88
. Purchase commitment	402,750	62.40 BRL/sc	25,132	1,174
Commodity futures contracts - Ethanol				
. Purchase commitment	1,950	2,390.0 BRL/m³	4,661	8
Commodity forward contracts - Sugar #11				
. Sale commitment	7,773	18.56 U\$/lb	17,680	593
Currency forward contracts (NDF) - US Dollar - OTC				
. Sale commitment	478,556	5.25 USD/BRL	2,513,950	189,080
Commodity futures contracts - Sugar #11 - Commodities Exchange				
. Short position in call options	100,487	23.48 U\$/lb	289,155	7,988
Interest rate swap contracts - OTC				97,545
Total derivative financial instruments in current liabilities				323,951
<u>In non-current liabilities - Loss</u>				
Commodity futures contracts - Sugar #11 - Commodities Exchange				
. Sale commitment	15,546	18.42 U\$/lb	35,094	481
Commodity forward contracts - Sugar #11				
. Sale commitment	7,773	18.3 U\$/lb	17,433	326
Currency forward contracts (NDF) - US Dollar - OTC				
. Sale commitment	45,081	5.752 USD/BRL	259,306	6,937
Commodity futures contracts - Sugar #11 - Commodities Exchange				
. Short position in call options	5,182	18.75 U\$/lb	11,908	978
Interest rate swap contracts - OTC				21,742
Total derivative financial instruments in non-current liabilities				30,464

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Parent and Consolidated	March 31, 2024			
	Contracted amount/ volume	Average price/rate	Notional value - R\$	Fair value - R\$
<u>In current assets - Gain</u>				
Margin deposit				30,292
Commodity futures contracts - Sugar #11 - Commodities Exchange				
. Sale commitment	62,589	23.56 U\$/lb	162,423	8,913
. Purchase commitment	57,712	22.09 U\$/lb	140,422	5,906
Commodity futures contracts - Corn				
. Purchase commitment	87,750	60.40 BRL/sc	5,300	91
Commodity futures contracts - Ethanol				
. Sale commitment	150	2,210.00 BRL/m³	332	1
Commodity forward contracts - Sugar #11				
. Sale commitment	9,703	22.93 U\$/lb	24,507	585
Currency forward contracts (NDF) - US Dollar - OTC				
. Sale commitment	117,764	5.16 USD/BRL	607,662	10,062
. Purchase commitment	10,092	5.03 USD/BRL	50,763	474
Commodity futures contracts - Sugar #11 - Commodities Exchange				
. Bidding position in call options	67,872	24.78 U\$/lb	185,253	2,396
. Bidding position in put options	216,723	23.21 U\$/lb	554,056	39,173
Interest rate swap contracts - OTC				5,315
Total derivative financial instruments in current assets				103,208
<u>In non-current assets - Gain</u>				
Currency forward contracts (NDF) - US Dollar - OTC				
. Purchase commitment	590	5.18 USD/BRL	3,056	21
Interest rate swap contracts - OTC				207,877
Total derivative financial instruments in non-current assets				207,898

Parent and Consolidated	March 31, 2024			
	Contracted amount/ volume	Average price/rate	Notional value - R\$	Fair value - R\$
<u>In current liabilities - Loss</u>				
Commodity futures contracts - Sugar #11 - Commodities Exchange				
. Sale commitment	140,875	21.22 U\$/lb	329,271	15,454
. Purchase commitment	66,094	25.11 U\$/lb	182,803	23,115
Commodity futures contracts - Corn				
. Purchase commitment	319,500	62.89 BRL/sc	20,093	538
Commodity forward contracts - Sugar #11				
. Sale commitment	19,915	21.73 U\$/lb	47,667	852
Currency forward contracts (NDF) - US Dollar - OTC				
. Sale commitment	307,054	5.03 USD/BRL	1,544,482	10,938
. Purchase commitment	7,505	5.12 USD/BRL	38,426	337
Commodity futures contracts - Sugar #11 - Commodities Exchange				
. Short position in call options	282,004	26.09 U\$/lb	810,407	7,710
. Bidding position in put options	2,591	24.50 U\$/lb	6,992	776
Interest rate swap contracts - OTC				98,409
Total derivative financial instruments in current liabilities				158,129
<u>In non-current liabilities - Loss</u>				
Currency forward contracts (NDF) - US Dollar - OTC				
. Sale commitment	590	5.19 USD/BRL	3,063	14
Interest rate swap contracts - OTC				13,582
Total derivative financial instruments in non-current liabilities				13,596

Margin deposit balances relate to funds maintained in current accounts with brokers to cover the initial and variation margins established by the Commodities Exchange on which the contracts are signed, and to secure outstanding contracts and net remittances in relation to daily adjustments resulting from fluctuations in contract prices in the futures and options market.

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The potential results of futures, options and forward contracts relate to the cumulative positive (negative) effect of the fair value of derivative financial instruments, on the corresponding categories.

At June 30, 2024, financial instruments designated for hedge accounting comprised the following:

Parent and Consolidated	Assets	Liabilities	Total in other comprehensive income
Financial instruments:			
Commodity derivatives - Futures, options and forward contracts	49,053	31,645	17,408
Foreign exchange derivatives - Options / NDF	3,716	179,848	(176,132)
Foreign exchange differences on borrowings (Trade Finance)	2,322	186,954	(184,632)
	55,091	398,447	(343,356)
Deferred taxes on the items above	(18,731)	(135,468)	116,737
	36,360	262,979	(226,619)

f) Estimated realization

The effects on the Company's equity at the reporting date, and the estimated realization in profit or loss are shown below:

Parent and Consolidated	24/25 crop season	25/26 crop season	Total
Derivative financial instruments:			
Commodity derivatives - Futures, options and forward contracts	26,680	(9,272)	17,408
Foreign exchange derivatives - Options / NDF	(163,229)	(12,903)	(176,132)
Foreign exchange differences on borrowings (Trade Finance)	(53,869)	(130,763)	(184,632)
	(190,418)	(152,938)	(343,356)
Deferred taxes on the items above	64,742	51,995	116,737
	(125,676)	(100,943)	(226,619)

22.2 Credit risk

Credit risk is managed by contracting operations only with top-tier financial institutions, which meet the Company's risk assessment criteria. São Martinho controls, on a monthly basis, its exposure in derivatives and financial investments, using maximum concentration criteria, based on the financial institution's rating and equity.

In relation to customers' default, the credit risk associated with each individual customer is assessed annually, and whenever a new customer is included in the Company's customer base, for which an individual credit limit is established, based on the risk identified.

22.3 Liquidity risk

The Finance Department monitors rolling forecasts of the Company's liquidity requirements to ensure that it has sufficient cash to meet operating needs and short-term debt.

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Cash surplus in local currency is invested in repurchase agreements backed by corporate bonds, Bank Deposit Certificates (CDBs) and investment funds pegged to the CDI interest rate, with high liquidity and actively traded in the market.

Cash surplus in foreign currency is invested with daily liquidity at fixed rates previously established.

The table below analyzes the financial liabilities into maturity groupings, which correspond to the remaining period from the reporting date to the contractual maturity date, based on undiscounted future cash flows.

Parent	Up to 1 year	From 2 to 3 years	More than 3 years	Total
At June 30, 2024				
Borrowings	1,144,680	2,272,853	6,732,224	10,149,757
Leases payable	150,336	249,978	578,684	978,998
Agricultural partnership payable	771,192	956,541	1,849,033	3,576,766
Derivative financial instruments	323,951	30,464	-	354,415
Trade payables	677,903	-	-	677,903
Other liabilities	26,588	27,552	-	54,140
	3,094,650	3,537,388	9,159,941	15,791,979
At March 31, 2024				
Borrowings	1,377,190	2,066,780	5,687,546	9,131,516
Leases payable	153,658	255,747	540,305	949,710
Agricultural partnership payable	789,954	922,807	1,773,674	3,486,435
Derivative financial instruments	158,129	13,596	-	171,725
Trade payables	422,212	-	-	422,212
Other liabilities	27,311	-	-	27,311
	2,928,454	3,258,930	8,001,525	14,188,909
Consolidated	Up to 1 year	From 2 to 3 years	More than 3 years	Total
At June 30, 2024				
Borrowings	1,147,930	2,279,328	6,777,639	10,204,897
Leases payable	150,336	249,978	578,684	978,998
Agricultural partnership payable	771,192	956,541	1,849,033	3,576,766
Derivative financial instruments	323,951	30,464	-	354,415
Trade payables	675,348	-	-	675,348
Other liabilities	39,494	27,552	-	67,046
	3,108,251	3,543,863	9,205,356	15,857,470
At March 31, 2024				
Borrowings	1,380,441	2,073,255	5,732,961	9,186,657
Leases payable	153,658	255,747	540,305	949,710
Agricultural partnership payable	789,954	922,807	1,773,674	3,486,435
Derivative financial instruments	158,129	13,596	-	171,725
Trade payables	408,590	-	-	408,590
Other liabilities	41,407	-	-	41,407
	2,932,179	3,265,405	8,046,940	14,244,524

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22.4 Capital management

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern to provide returns for stockholders and benefits for other stakeholders, and to maintain an optimal debt-equity structure to reduce the cost of capital.

In order to maintain or adjust its capital structure, the Company may take actions to ensure the achievement of the above-mentioned objectives, as permitted by the Brazilian Corporate Law.

23 Classification and fair value of financial instruments

23.1 Classification

Financial assets and liabilities are classified as follows:

		Parent	
	Classification	June 30, 2024	March 31, 2024
Financial assets			
Cash and cash equivalents	Amortized cost	205,357	204,467
Financial investments	Fair value through profit or loss	2,973,933	2,743,929
Trade receivables	Amortized cost	559,117	651,856
	Fair value through other		
Derivative financial instruments	comprehensive income	87,172	97,914
Derivative financial instruments	Fair value through profit or loss	175,491	213,192
Judicial deposits	Amortized cost	1,930,232	1,491,196
Other assets, except prepayments	Amortized cost	373,264	374,524
		6,304,566	5,777,078
Financial liabilities			
Borrowings	Fair value through profit or loss	25	28
Borrowings	Amortized cost	7,494,334	6,495,202
	Fair value through other		
Derivative financial instruments	comprehensive income	235,128	59,734
Derivative financial instruments	Fair value through profit or loss	119,287	111,991
Leases and agricultural partnerships payable	Amortized cost	2,923,463	2,874,760
Trade payables	Amortized cost	677,903	422,212
Other liabilities	Amortized cost	54,140	27,311
		11,504,280	9,991,238

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		Consolidated	
	Classification	June 30, 2024	March 31, 2024
Financial assets			
Cash and cash equivalents	Amortized cost	205,441	204,560
Financial investments	Fair value through profit or loss	3,296,881	3,017,449
Trade receivables	Amortized cost	628,549	698,384
	Fair value through other		
Derivative financial instruments	comprehensive income	87,172	97,914
Derivative financial instruments	Fair value through profit or loss	175,491	213,192
Judicial deposits	Amortized cost	1,930,248	1,491,213
Other assets, except prepayments	Amortized cost	375,453	376,669
		6,699,235	6,099,381
Financial liabilities			
Borrowings	Fair value through profit or loss	25	28
Borrowings	Amortized cost	7,536,793	6,536,790
	Fair value through other		
Derivative financial instruments	comprehensive income	235,128	59,734
Derivative financial instruments	Fair value through profit or loss	119,287	111,991
Trade payables	Amortized cost	675,348	408,590
Leases and agricultural partnerships payable	Amortized cost	2,923,463	2,874,760
Other liabilities	Amortized cost	67,046	41,407
		11,557,090	10,033,300

The credit quality of financial assets that are neither past due nor impaired is assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates. There is no history of significant default in the Company.

23.2 Fair value

The Company measures and determines fair value through the use of various methods, including market approaches of income or cost, in order to estimate the value that market participants would use to price the asset or liability. Financial assets and liabilities carried at fair value are classified and disclosed within the following fair value hierarchy levels:

Level 1 - Quoted prices (unadjusted) in active, liquid and visible markets, for identical assets and liabilities that are readily available at the measurement date;

Level 2 - Quoted prices (which may be adjusted or not) for similar assets or liabilities in active markets; and

Level 3 - Assets and liabilities for which there is little, if any, market activity, or whose prices or valuation techniques are supported by inputs from a thin, non-existent, or illiquid market (non-observable inputs).

During the reporting period, there was no reclassification of assets and liabilities at fair value to or from levels 1, 2 or 3.

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Parent	June 30, 2024			March 31, 2024		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Assets						
Financial investments	-	2,973,933	-	-	2,743,929	-
Derivative financial instruments	41,053	221,610	-	56,389	254,717	-
Biological assets	-	-	1,363,796	-	-	1,364,508
	41,053	3,195,543	1,363,796	56,389	2,998,646	1,364,508
Liabilities						
Derivative financial instruments	38,192	316,223	-	47,055	124,670	-
Borrowings	-	25	-	-	28	-
	38,192	316,248	-	47,055	124,698	-

Consolidated	June 30, 2024			March 31, 2024		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Assets						
Financial investments	-	3,296,881	-	-	3,017,449	-
Derivative financial instruments	41,053	221,610	-	56,389	254,717	-
Biological assets	-	-	1,363,796	-	-	1,364,508
	41,053	3,518,491	1,363,796	56,389	3,272,166	1,364,508
Liabilities						
Derivative financial instruments	38,192	316,223	-	47,055	124,670	-
Borrowings	-	25	-	-	28	-
	38,192	316,248	-	47,055	124,698	-

Futures and Options - ICE

The fair value of futures traded on the New York - Intercontinental Exchange (ICE Futures US) and B3 - Brazil, Stock Exchange, OTC is calculated as the difference between the price of the derivative in the contract and the market closing price on the base date, which is obtained from quotations in an active market, and reconciled with creditor or debtor balances with the brokers. The fair value of options traded on the ICE platform is obtained from market quotations.

Currency options

The fair value of currency options is obtained through the use of the Garman & Kohlhagen model, which is based on public market data and characteristics thereof, specifically the underlying asset price, strike of options, volatility, yield curve, and the time remaining to the maturity of the contracts.

Forward contracts

The fair values of forward contracts, both for foreign exchange and sugar, contracted in the OTC market with leading banks, are calculated using discounted future cash flow methods, which are based on observable market data, specifically the DI, SOFR, exchange coupon interest curves published by B3, PTAX 800 published by the Brazilian Central Bank, and sugar futures prices disclosed by ICE Exchange.

Other financial assets and liabilities

The carrying amounts of trade receivables, notes receivable, trade payables and notes payable less impairment provision, or adjustment to present value, where applicable, are assumed to approximate their fair values.

Notes to the interim accounting information at June 30, 2024

All amounts in thousands of reais unless otherwise stated

24 Segment information (Consolidated)

Management has determined the Company's operating segments based on the reports used for strategic decisions and reviewed by the main decision-makers, namely: the Executive Board, the CEO, and the Board of Directors.

The analyses are made by business segment, as described below, based on the products sold by the Company:

- (i) Sugar;
- (ii) Ethanol;
- (iii) Corn ethanol;
- (iv) Electric power;
- (v) Real estate businesses;
- (vi) Yeast
- (vii) DDGs; and
- (viii) Other less relevant products and by-products.

The operating segment performance is analyzed based on each product's results, focusing on profitability. The operating assets related to these segments are all located in Brazil.

Consolidated result by segment

	June 30, 2024									
Consolidated	Sugar	Ethanol	Corn ethanol	Electric power	Real estate businesses	Yeast	DDGs	Other products	Not by segment	Total
Gross revenue										
Domestic market	68,566	492,587	96,214	77,251	1,791	21,314	35,724	39,661	-	833,108
Foreign market	869,262	54,135	-	-	-	-	-	979	-	924,376
Gain/loss on derivatives	(29,463)	(1,719)	-	-	-	112	-	-	-	(31,070)
Amortization of electric power supply contract	-	-	-	-	-	-	-	-	-	-
(-) Taxes, contributions, and deductions on sales	(5,043)	(66,280)	5,029	(3,781)	(715)	(1,229)	(4,486)	(6,200)	-	(82,705)
Net revenue	903,322	478,723	101,243	73,470	1,076	20,197	31,238	34,440	-	1,643,709
Cost of goods sold	(597,972)	(355,431)	(93,966)	(20,536)	(29)	(8,338)	(45,874)	(31,022)	-	(1,153,168)
Change in the market value of biological assets, agricultural produce, and CBI/Os	21,312	317	-	-	-	-	-	-	-	21,629
Gross profit	326,662	123,609	7,277	52,934	1,047	11,859	(14,636)	3,418	-	512,170
Gross margin	36.2%	25.8%	7.2%	72.0%	97.3%	58.7%	-46.9%	9.9%	-	31.2%
Selling expenses	(46,659)	(5,546)	(81)	(4,022)	-	(2)	-	(431)	-	(56,741)
Other operating expenses, net	-	-	-	-	-	-	-	-	(91,810)	(91,810)
Operating profit	280,003	118,063	7,196	48,912	1,047	11,857	(14,636)	2,987	-	363,619
Operating margin	31.0%	24.7%	7.1%	66.6%	97.3%	58.7%	-46.9%	8.7%	-	22.1%
Other income and expenses not by segment	-	-	-	-	-	-	-	-	(257,299)	(257,299)
Profit for the period	-	-	-	-	-	-	-	-	-	106,320
Depreciation and amortization - intangible assets and right-of-use assets	(242,431)	(172,071)	(3,842)	(3,413)	-	(2,099)	(5,565)	(13,524)	(5,048)	(447,993)

	June 30, 2023									
Consolidated	Sugar	Ethanol	Corn ethanol	Electric power	Real estate businesses	Yeast	DDGs	Other products	Not by segment	Total
Gross revenue										
Domestic market	66,478	331,388	64,315	61,928	5,315	18,243	30,169	49,028	-	626,864
Foreign market	710,329	50,922	-	-	-	3,783	-	-	-	765,034
Gain/loss on derivatives	(12,394)	1,698	-	-	-	-	-	-	-	(10,696)
Amortization of electric power supply contract	-	-	-	-	-	-	-	-	(2,834)	(2,834)
(-) Taxes, contributions, and deductions on sales	(4,482)	(18,078)	4,348	(3,264)	(187)	(2,909)	(4,086)	(7,123)	-	(35,781)
Net revenue	759,931	365,930	68,663	58,664	5,128	19,117	26,083	41,905	(2,834)	1,342,587
Cost of goods sold	(485,900)	(342,704)	(64,161)	(15,206)	(31)	(5,785)	(36,912)	(26,035)	-	(976,734)
Changes in the market value of biological assets, and agricultural produce	88,058	50,837	-	-	-	-	-	6,241	-	145,136
Gross profit	362,089	74,063	4,502	43,458	5,097	13,332	(10,829)	22,111	(2,834)	510,989
Gross margin	47.6%	20.2%	6.6%	74.1%	99.4%	69.7%	-41.5%	52.8%	-	38.1%
Selling expenses	(38,376)	(4,474)	(2)	(3,510)	-	-	-	35	-	(46,327)
Other operating expenses, net	-	-	-	-	-	-	-	-	(84,172)	(84,172)
Operating profit	323,713	69,589	4,500	39,948	5,097	13,332	(10,829)	22,146	(87,006)	380,490
Operating margin	42.6%	19.0%	6.6%	68.1%	99.4%	69.7%	-41.5%	52.8%	-	28.3%
Other income and expenses not by segment	-	-	-	-	-	-	-	-	(160,222)	(160,222)
Profit for the period	-	-	-	-	-	-	-	-	-	220,268
Depreciation and amortization - intangible assets and right-of-use assets	(235,189)	(165,408)	(766)	(3,667)	-	(1,926)	(1,997)	(4,566)	(3,780)	(417,299)



Notes to the interim accounting information at June 30, 2024

All amounts in thousands of reais unless otherwise stated

On June 30, 2024, net revenue from Cbios (decarbonization credits), amounting to R\$ 13,932, (R\$ 3,939 at June 30, 2023) was recorded within "Ethanol".

Consolidated net operating revenues are geographically distributed as follows:

Consolidated	June 30, 2024	June 30, 2023
Domestic market	759,406	577,767
Foreign market		
Middle East and Asia	454,765	288,468
Europe	411,153	381,024
North America	15,933	91,554
Specifically intended for export	2,452	3,774
Net revenue	1,643,709	1,342,587

At the reporting date, the Company's main customers represented approximately 58% of its net revenue (64% at June 30, 2023).

Consolidated operating assets by segment

The Company's main operating assets were segregated by segment based on the cost centers into which they are allocated and/or the apportionment criterion that considers the share of each product in relation to total production. This allocation could, therefore, vary from one period to another.

	June 30, 2024								
	Sugar	Ethanol	Corn ethanol	Electric power	Real estate businesses	Yeast	DDGs	Not by segment	Total
Trade receivables	387,075	46,026	22,375	38,198	42,399	8,756	3,973	79,747	628,549
Inventories and advances to suppliers	443,600	768,881	86,896	-	6,565	2,117	2,373	19,210	1,329,642
Biological assets	879,674	484,122	-	-	-	-	-	-	1,363,796
Property, plant and equipment	3,640,318	3,503,604	544,779	241,186	-	35,545	11,703	49,672	8,026,807
Intangible assets	278,923	171,119	1,061	-	-	-	-	-	451,103
Right-of-use assets	1,170,775	1,708,311	-	-	-	-	-	-	2,879,086
Total assets allocated	6,800,365	6,682,063	655,111	279,384	48,964	46,418	18,049	148,629	14,678,983
Other unallocated assets (i)	-	-	-	-	-	-	-	6,966,478	6,966,478
Total	6,800,365	6,682,063	655,111	279,384	48,964	46,418	18,049	7,115,107	21,645,461

	March 31, 2024								
	Sugar	Ethanol	Corn ethanol	Electric power	Real estate businesses	Yeast	DDGs	Not by segment	Total
Trade receivables	293,687	221,395	73,402	6,607	41,839	1,825	2,404	57,225	698,384
Inventories and advances to suppliers	374,632	190,199	151,649	-	6,594	460	2,908	9,768	736,210
Biological assets	890,278	474,230	-	-	-	-	-	-	1,364,508
Property, plant and equipment	3,740,024	3,559,977	527,821	147,148	-	33,547	11,766	24,865	8,045,148
Intangible assets	281,656	172,195	1,116	-	-	-	-	-	454,967
Right-of-use assets	1,166,783	1,622,814	-	-	-	-	-	-	2,789,597
Total assets allocated	6,747,060	6,240,810	753,988	153,755	48,433	35,832	17,078	91,858	14,088,814
Other unallocated assets (i)	-	-	-	-	-	-	-	6,282,635	6,282,635
Total	6,747,060	6,240,810	753,988	153,755	48,433	35,832	17,078	6,374,493	20,371,449

(i) Represented mainly by the balances of financial investments and judicial deposits.

According to the approach of the main decision-makers, liabilities are not being disclosed by segment, but are analyzed on a consolidated basis.

Notes to the interim accounting information at June 30, 2024

All amounts in thousands of reais unless otherwise stated

25 Revenues

The Company recognizes its revenues based on the consideration expected to be received in exchange for the control of goods and services.

No losses are expected in connection with sales in the sugar and ethanol market and other by-products, since all the performance obligations are met upon delivery of the final product, when revenue is recognized.

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Company's activities.

a) Sale of goods and rendering of services

São Martinho sells sugar, ethanol, electric power, and yeast, among other products. Sales are recognized when the products are delivered to the customer. In order for revenue to be recognized, the Company follows the conceptual framework of the standard, which comprises the following steps: identification of contracts with customers, identification of performance obligations under the contracts, determination of the transaction price, and allocation of the transaction price.

São Martinho renders planting, mechanization and logistics services. These services are priced based on the time consumed and the materials used, and revenue is recognized as the services are rendered.

b) Sale of plots of land and land subdivisions (Real Estate Developments)

Sales revenue and cost of land inherent in real estate developments are recognized in profit or loss to the extent that the infrastructure work progresses, as directed by the CVM and detailed above.

For sales in installments of land with completed infrastructure projects, revenue is recognized when the sale is made, regardless of the term to receive the contractual amount, and is measured at the fair value of the consideration received and receivable. The amounts receivable are adjusted to present value.

Notes to the interim accounting information at June 30, 2024

All amounts in thousands of reais unless otherwise stated

	Parent		Consolidated	
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
Gross sales revenue				
Domestic market	776,841	575,722	833,108	626,864
Foreign market	924,376	765,034	924,376	765,034
Gain/loss on derivatives	(31,070)	(10,696)	(31,070)	(10,696)
	<u>1,670,147</u>	<u>1,330,060</u>	<u>1,726,414</u>	<u>1,381,202</u>
Amortization of electric power supply contract (i)	-	-	-	(2,834)
	<u>1,670,147</u>	<u>1,330,060</u>	<u>1,726,414</u>	<u>1,378,368</u>
Taxes, contributions, and deductions on sales	(78,694)	(31,820)	(82,705)	(35,781)
	<u>1,591,453</u>	<u>1,298,240</u>	<u>1,643,709</u>	<u>1,342,587</u>

(i) Amortization of the electric power supply contracts entered into with BIO SC.

26 Costs and expenses by nature

Reconciliation of expenses by nature:

	Parent		Consolidated	
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
Depreciation and amortization (including biological assets harvested)	(445,922)	(416,196)	(447,993)	(417,299)
Raw materials and consumables	(454,519)	(412,284)	(438,512)	(397,914)
Personnel expenses	(158,898)	(129,824)	(160,797)	(131,568)
Material for resale	(10,751)	(2,875)	(11,824)	(2,875)
Maintenance parts and services	(75,669)	(34,687)	(75,741)	(34,787)
Changes in the fair value of biological assets, agricultural produce, and CBO	21,629	145,136	21,629	145,136
Provision for losses on realization of inventories	(2,000)	-	(2,000)	-
Freight on sales	(49,931)	(40,317)	(49,931)	(40,317)
Third-party services	(22,314)	(21,179)	(23,085)	(21,748)
Litigation	(10,417)	(9,672)	(10,417)	(9,672)
Cost of land sales	-	-	(29)	31
Other expenses	(84,481)	(56,300)	(86,997)	(62,439)
	<u>(1,293,273)</u>	<u>(978,198)</u>	<u>(1,285,697)</u>	<u>(973,452)</u>
Classified as:				
Cost of goods sold	(1,145,303)	(842,297)	(1,131,539)	(831,598)
Selling expenses	(53,453)	(42,870)	(56,741)	(46,327)
General and administrative expenses	(94,517)	(93,031)	(97,417)	(95,527)
	<u>(1,293,273)</u>	<u>(978,198)</u>	<u>(1,285,697)</u>	<u>(973,452)</u>

Notes to the interim accounting information at June 30, 2024

All amounts in thousands of reais unless otherwise stated

27 Finance result

	Parent		Consolidated	
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
Finance income				
Interest received and earned	67,425	79,169	75,769	86,768
Other income	1,953	11,479	2,302	11,623
PIS/COFINS on finance income	(2,774)	(4,709)	(2,871)	(4,714)
	66,604	85,939	75,200	93,677
Finance costs				
Interest on borrowings	(161,298)	(188,691)	(162,170)	(190,045)
Adjustment to present value (i)	(84,579)	(87,701)	(84,579)	(87,701)
Interest paid	(7,335)	(4,288)	(7,375)	(4,287)
Bank guarantee commission	(2,075)	(2,155)	(2,077)	(2,155)
Payables to Copersucar	(2,632)	(1,437)	(2,632)	(1,437)
Other expenses (ii)	1,576	(3,723)	1,485	(3,775)
	(256,343)	(287,995)	(257,348)	(289,400)
Exchange and monetary variation, net				
Trade receivables and payables	8,838	(5,177)	8,838	(5,177)
Available funds	13,944	(11,919)	13,944	(11,919)
Borrowings	(114,680)	(35,955)	(114,680)	(35,955)
	(91,898)	(53,051)	(91,898)	(53,051)
Derivatives - not designated for hedge accounting				
Gain/loss on swap transactions	(64,657)	63,243	(64,657)	63,243
Gain (loss) on ethanol transactions	696	-	696	-
Foreign exchange gain (loss), net	4,358	(1,527)	4,358	(1,527)
Gain (loss) on sugar transactions	23,757	4,387	23,757	4,387
Gain (loss) on foreign exchange transactions	(18,618)	22,155	(18,618)	22,155
Cost of stock exchange transactions	375	(302)	376	(302)
	(54,089)	87,956	(54,088)	87,956
	(335,726)	(167,151)	(328,134)	(160,818)

(i) Mainly leases and agricultural partnerships payable.

(ii) In 2024, reversals of adjustments to contingencies affected the Other expenses line item.

28 Earnings per share

	Parent		Consolidated	
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
Profit for the year attributed to owners of the parent	106,320	220,268	106,320	220,268
Common shares at the beginning of the period - in thousands	346,375	346,375	346,375	346,375
Weighted average of treasury shares - in thousands	(7,416)	-	(7,416)	-
WWeighted average of common shares outstanding - in thousands (i)	338,959	346,375	338,959	346,375
Basic and diluted earnings per share - R\$	0.3137	0.6359	0.3137	0.6359

(i) In 2024, the weighted average price of shares was affected by the share buyback program and the payment of bonuses with shares (Note 17b).

Notes to the interim accounting information at June 30, 2024

All amounts in thousands of reais unless otherwise stated

29 Insurance coverage

São Martinho maintains a standard safety, training and quality program for all units, which aims at reducing the risks of accidents, among other purposes. Insurance policies are taken out at amounts considered sufficient (unaudited information) to cover potential losses, if any, on its assets and liabilities. The amounts covered by the insurance policies in effect at the reporting date are as follows:

Parent and Consolidated Item	Insured risks	Maximum coverage (i)
Loss of Income and Operational Risks (ii)	Loss of income due to interruption of activities, provided that the cause thereof relates to coverage included in the policy.	2,628,359
Civil Liability	Any material damage to buildings, facilities, inventories, agricultural and industrial machinery and equipment. Damages caused to third parties as a result of professional errors or omissions (E&O insurance).	2,079,900
Environmental Responsibility	Environmental accidents that may lead to breaches of environmental laws.	30,000

- (i) Corresponds to the maximum coverage amount for the various assets and locations insured.
- (ii) Insurance coverage against material damages (operating risks) to vehicles are excluded. as the reference used is 100% of the Economic Research Institute (FIPE) table.

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